

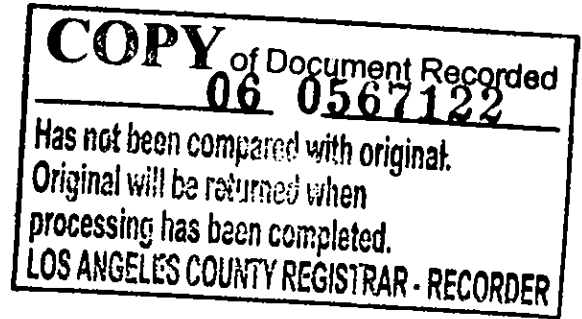
COVER PAGE TO DECLARATION CC&R's

If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates State and Federal Fair Housing Laws and is void. Any person holding an interest in this property may request that the County Recorder remove the restrictive covenant language pursuant to subdivision (c) of Section 12956.1 of the Government Code.

Section 1352.5 of the Civil Code, effective January 1, 2000 requires community associations to put this cover page on the front of the Declaration (CC&R's).

MAR 16 2008

RECORDING REQUESTED BY:
WOLF, RIFKIN, SHAPIRO &
SCHULMAN, LLP
MICHAEL W. RABKIN, ESQ.
11400 WEST OLYMPIC BLVD., NINTH FL.
LOS ANGELES, CA 90064-1582



WHEN RECORDED MAIL TO:
NAME MICHAEL W. RABKIN, ESQ.
MAILING WOLF, RIFKIN, SHAPIRO &
SCHULMAN, LLP
ADDRESS 11400 W. OLYMPIC BLVD.
NINTH FLOOR
CITY, STATE LOS ANGELES, CA
ZIP CODE 90064-1582

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

CERTIFICATE OF AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DEL REY COLONY HOMEOWNERS ASSOCIATION

WHEN RECORDED, MAIL TO:

Michael W. Rabkin, Esq.
WOLF, RIFKIN, SHAPIRO & SCHULMAN, LLP
11400 W. Olympic Boulevard
Ninth Floor
Los Angeles, California 90064

CERTIFICATE OF AMENDMENT

TO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

DEL REY COLONY HOMEOWNERS ASSOCIATION

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions for Del Rey Colony Homeowners Association ("Association") is made this 3rd day of March, 2006, with reference to the following facts:

A. The Association's Declaration of Covenants, Conditions and Restrictions ("Declaration") was recorded as Instrument No. 84-1104006 in the Official Records of Los Angeles County, California on September 14, 1984, as amended by Instrument No. 86-306643 recorded on March 11, 1986, and encumbers that certain property as shown on Exhibit "A" attached hereto and incorporated herein by this reference; and,

B. The consent of the requisite number of "Owners" of the "Association" having been obtained as such terms are defined in the Declaration, the Declaration is amended as set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING:

1. Article IV, Section 4(a) of the Declaration is hereby deleted in its entirety and replaced with the following language:

"(a) Maintenance and Management of the Common Area;
Limitation of Liability:

To maintain, manage, preserve, and control all of the Common Area (including plumbing, utilities and sewer facilities

to the interior wall of each Unit); all easements for operation and maintenance purposes over the Common Area; all easements for the benefit of the Association Members within the Common Area; and such property as the Members of the Association by a vote of fifty-one percent (51%) of the voting power allocated to the Members elect to maintain.

The Association shall provide for the exterior maintenance of each building containing Units only as follows: paint, maintain, repair and replace (if required because of normal wear, tear or deterioration or an event against which the Association is insured) roofs, gutters, downspouts and exterior building surfaces, (excluding exterior surfaces of patios and/or decks within the yard area (but not the lagoon-side wood decks), garage decks, storage areas and balconies), and maintain the landscaping (including trees, grass, shrubs, and walks) within the Common Area and the adjacent public streets. The Association shall also maintain the roadway, driveways of the individual Units, recreation area and lagoon.

Notwithstanding anything to the contrary, the Association shall be responsible for maintaining, repairing and replacing the lagoon-side wood decks; however, any damage caused to such wood decks by an Owner or anyone living or visiting the Owner shall be the responsible to pay for such damage as a special assessment.

Such exterior maintenance shall not include glass surfaces, exterior doors, landscaping within the yard area, the yard area, any drain pipes below an Owner's yard area, the garage deck, the storage area and the balcony areas of each Condominium; patio covers or other additions built and maintained within said yard area, garage deck and balcony areas by an Owner; repairs or replacements arising out of or caused by the willful or negligent act of an Owner, his family, guests or invitees. Such excluded items shall be the responsibility of each Owner.

Notwithstanding anything to the contrary, neither the Association, the Board or the members thereof, any committee appointed by the Board or the members thereof, the officers, the management agent or any of them (collectively, the 'Association Parties') shall be liable for any failure to provide any service or perform any duty, function or responsibility designated herein to be performed by them, or for injury and/or damage to persons or property in the project, or resulting from

electricity, water, mold, rain, dust or sand which may leak or flow from outside of any Unit or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, unless caused by the gross negligence of the Association Parties.

In the event of damage to a Unit caused by external water sources, the Association's repair responsibility shall extend only to (a) the repair of any damage to the Common Area and (b) the restoration of any wall, floor and/or ceiling to a condition ready to receive a wall finish, floor finish and/or ceiling finish, unless such damage is caused by the gross negligence or willful misconduct of the Association Parties.

Notwithstanding anything to the contrary, the Association Parties shall not be liable for any damage to any wall finish, ceiling finish and/or floor finish and personal property in a Unit including, but not limited to, any art, furniture and clothing in the Unit, caused by external water sources, which personal property shall at all times be the Owner's responsibility to insure, repair and/or replace. The Association Parties shall not be liable for any damage to any cabinetry and/or fixtures which are attached to the Common Area caused by external water sources to the extent such damage is not covered by the Association's insurance policies.

For purposes of this Section, the term 'external water sources' shall mean water (including, but not limited to, rain) which may leak or flow from outside the boundaries of any Unit and shall exclude any water which leaks or flows into a unit as the result of the negligence or willful misconduct of an Owner or anyone living in or visiting Owner's Unit.

Notwithstanding the foregoing, the Association shall reimburse an Owner for any insurance policy deductible, up to \$1,000.00, that has to be paid by an Owner on any personal insurance policy claim resulting from an incident or damage that would have been the Association's responsibility prior to this Amendment to the Declaration. Furthermore, notwithstanding the foregoing, the Association shall reimburse an Owner up to \$1,000.00 per year for any additional insurance policy costs the Owner may incur if that owner's insurance policy is cancelled as a result of an incident that would have been the Association's responsibility prior to this Amendment to the Declaration."

2. Article IV, Section 4(d)(1) of the Declaration is hereby deleted in its entirety and replaced with the following language:

“(1) Fire and extended coverage insurance and all risk coverage on the Common Areas of the Project in form and amounts satisfactory to Mortgagees holding first deeds of trust encumbering Condominiums, but without prejudice to the right of the Owner of a Condominium to obtain individual insurance, the amount of such insurance to be not less than one hundred percent (100%) of the aggregate full insurable value of such Condominium.”

3. The following language is hereby added to Article IV, Section 4(d) of the Declaration as a new sub-section 4:

“(4) The Board shall adopt a policy regarding payment of deductibles on any insurance coverage. Unless the Board determines otherwise, the Association shall pay deductibles required under any insurance claims from Association funds, except (a) if the damage is the result of the negligence or willful misconduct of an Owner, their families, guests, tenants, servants and invitees, in which case the Owner shall be responsible to pay such deductible and the Association shall levy a Special Assessment against the Owner in such amount in accordance with Article V of this Declaration or (b) if insufficient funds are available to the Association from the Association's accounts or from funds borrowed by the Association in accordance with this Declaration, in which event, the Association shall levy a Special Assessment, in accordance with Article V of this Declaration, with respect to the amount of any such deductible which exceeds funds available to the Association from Association funds or from borrowing.”

4. The following language is hereby added to the Declaration after the first paragraph of Article VII, Section 4 thereof:

“Notwithstanding anything to the contrary, each Owner shall also be responsible to maintain, repair and/or replace, as necessary, in good repair, any drain pipes located beneath the Owner's yard area including, without limitation, causing such pipes to be inspected on an annual basis and, if necessary, having such drain pipes cleaned out and/or removing any landscaping such as tree roots affecting such pipes. Additionally, each Owner shall be responsible to maintain, repair and/or replace, as necessary, in good repair any irrigation system serving the Owner's yard area as well as any damage to the Common Area or another Owner's

Unit caused by such irrigation system and/or the watering of the Owner's yard area."

5. All references in the Declaration to the "Environmental Control Committee" are hereby deleted and replaced with "Architectural Control Committee."

6. Article VIII, Section 1 of the Declaration is hereby deleted in its entirety and replaced with the following language:

"Section 1. Board Action; Appointment of Architectural Control Committee. The Board shall appoint an Architectural Review Committee ("Committee") to conduct all architectural reviews required by this Declaration. Any Committee appointed by the Board shall consist of not less than three (3) nor more than five (5) members, who shall be appointed and replaced by the Board, in the Board's discretion. Members appointed to the Committee by the Board shall be Owners, but need not meet any other particular qualifications. Any action taken by the Committee shall require the written approval of a majority of its members. The Board may designate and appoint a representative who is a licensed architect to assist the Architectural Committee or the Board in its evaluation of an Owner's application and/or appeal; however, the decision of the Architectural Committee or the Board, as the case may be, with respect to the approval shall be final."

7. Article VIII, Section 2 of the Declaration is hereby deleted in its entirety and replaced with the following language:

"Section 2. Approval Needed.

(a) No building, fence, wall, pool, spa, obstruction, outside or exterior wiring, security camera, or lighting, patio, balcony, patio/balcony cover or awning, trellis, windows, skylight, basketball standards, sports apparatus, exterior decoration, improvement or structure of any kind shall be commenced, installed, painted, repainted or maintained upon the Project, nor shall any alteration or improvement of any kind be made to these structures or Restricted Common Area or Common Area (including, but not limited to, Common Area landscaping) until the plans, specifications and plot plan showing the location and nature of such replacement, addition, alteration or removal have been submitted to and approved in writing by the

Committee. Notwithstanding the foregoing, an Owner may improve or alter any improvements within the interior boundaries of the Unit, provided the improvement or alteration does not impair the structural or acoustical integrity of the Common Area, utilities, or other systems servicing the Common Area or other Units, and does not involve altering any Common Area (including bearing walls, electrical wiring and plumbing lines) or Restricted Common Area. If requested by the Board or Committee, all such plans, specifications and plot plans shall be prepared by an architect, engineer or landscape designer or landscape architect, said person to be employed by the Owner making application at his sole expense.

(b) Decisions of the Committee and the reasons for the decisions shall be transmitted by the Committee to the Owner in writing at the address set forth in the application for approval, within ninety (90) days after receipt by the Committee of all materials required by the Committee. No purported oral or verbal approval of the Committee shall be permitted and any approval, to be binding upon the Committee and the Association, shall be in writing. In no event will any application for approval or any proposal, plans, or specifications be deemed approved based on the passage or lapse of time; any approval must be by affirmative written action of the Committee to be effective. Notwithstanding approval of any application, proposal, plans, or specifications by the Committee, no Owner shall undertake any construction or other activity subject to review of the Committee unless, as a separate and independent matter, the Owner has also met any review or permit requirements of the city or county in which the Property is located prior to making any alterations or improvements permitted hereunder and has obtained all permits necessary to legally authorize such construction or other activity.

(c) The approval of the plans, specifications and plot plan may be withheld not only because of non-compliance with any of the specific conditions, covenants and restrictions contained in this Declaration, but also by reason of the reasonable dissatisfaction of the Committee with the location of the structure, the elevation, the color scheme, finish, design, proportions, architecture, shape, height, style and appropriateness of the proposed structures or altered structures, the materials used therein, the kind, pitch or type of roof proposed to be placed thereon, the planting, landscaping, size, height or location of trees, or because of its reasonable dissatisfaction with any or all other matters or things which, in the reasonable judgment of the Committee,

will render the proposed improvement inharmonious or out of keeping with the general plan of improvements of the Project or with the improvements erected on other Units. The restrictions are not intended to empower the Committee to act arbitrarily, capriciously, or whimsically in the process of reviewing plans. Standards should be established which are both reasonable and objective, and which are reasonably ascertainable, and are uniformly and fairly applied to all, and in all cases. The Committee shall base its decisions on what is in the best interests of the Project as a whole, and not upon what will appease a particular Member or group of Members.

(c) The Committee may condition its written approval of proposals or plans and specifications for any improvement (1) upon the Owner executing a written indemnity agreement to be recorded against Owner's Unit accepting responsibility for the proposed improvements and any future problems resulting therefrom, (2) on such changes therein as it deems appropriate, (3) upon the Owner's agreement to grant appropriate easements to the Association for the maintenance of the improvements, (4) upon the Owner's agreement to install (at its sole cost) water, gas, electrical or other utility meters to measure any increased consumption, (5) upon the Owner's agreement to reimburse the Association for the cost of maintenance, (6) upon the Owner's agreement to complete the proposed work within a stated period of time, or (7) upon all of the above, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted.

(d) The Board may from time to time adopt, promulgate and amend rules or guidelines which, among other matters, may set forth design and architectural standards, procedures for the submission of plans for approval, requirements for a fee to accompany each application for approval, and/or additional factors which it will take into consideration in reviewing submissions.

8. The following language is hereby added to Article VIII of the Declaration as a new Section 6:

"Section 6. Appeal to Board. All decisions of the Committee are subject to review by the Board of Directors and may be appealed to the Board. An Owner who has submitted an application to the Committee may appeal a decision to deny or conditionally approve the Owner's application to the Board by written appeal to the Board within thirty (30) days of the denial/conditional

approval from the Committee. The Board shall notify the appealing Owner in writing of the date set for a hearing regarding the Owner's appeal within fifteen (15) days after receipt of the Owner's appeal. The hearing shall be held within thirty (30) days after receipt of the Owner's appeal by the Board. The Board shall make its determination on the appeal in writing delivered to the appealing Owner within fifteen (15) days after the hearing. A vote of two-thirds of the Board is necessary to overturn a decision of the Committee. The determination of the Board shall be final."


9. The following language is hereby added to Article VIII of the Declaration as a new Section 7:

"Section 7. Compliance. If, after such plans and specifications have been approved, the improvements are altered, erected, or maintained otherwise than as approved by the Committee, or if such improvements are constructed without obtaining approval at all, such alteration, erection and maintenance shall be deemed to have been undertaken without the approval of the Committee having been obtained as required by this Declaration. The Committee shall notify the Board of all violations of this Article and of any non-compliance with its rulings or with the plans and specifications submitted to and approved by it, after which the Board shall take such actions as it deems necessary in accordance with the provisions of this Declaration, including, without limitation, and in its sole discretion, any or all of the following: (a) require that the Owner remove and/or remedy the non-complying improvement, (b) remove and/or remedy the non-compliance itself, after notice and hearing, (c) impose monetary penalties against the Owner, after notice and hearing, until such non-compliance is corrected, and/or (d) institute legal proceedings to enforce compliance or completion."

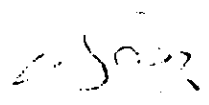
10. Except as the same is hereinabove amended, the Declaration, and each and every provision thereof, shall continue in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of the Del Rey Colony Homeowners Association have executed this instrument on the date and year first written above.

Del Rey Colony Homeowners Association



3/3/06, President



VD, Secretary
3/3/06.

EXHIBIT "A"

Legal Description

Lot 1 of Tract 35183 as per map recorded in Book 1024, pages 58 through 60, inclusive of Maps, in the Office of the County Recorder of Los Angeles, State of California.

State of California
County of LOS ANGELES } ss.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

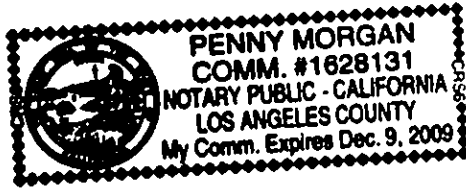
On 3-3-06, before me, PENNY MORGAN NOTARY PUBLIC,
Date Printed Name of Notary Public

personally appeared RAYLENE R. BARON,
Printed Name(s) of Signer(s)

- personally known to me - or -
 proved to me on the basis of satisfactory evidence:
 form(s) of identification _____
 credible witness(es) _____

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



(Seal)

Penny Morgan
Signature of Notary Public

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of CERT OF AMENDMENT TO CC+R'S containing _____ pages, and dated _____

The signer(s) capacity or authority is/are as:

- Individual(s)
 Attorney-in-Fact
 Corporate Officer(s) _____ Title(s) _____
 Guardian/Conservator
 Partner - Limited/General
 Trustee(s)
 Other: _____

representing: _____
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

- Additional Signer(s) Signer(s) Thumbprint(s)
 Other

FIRST AMERICAN TITLE COMPANY of LOS ANGELES

RECORDING REQUESTED BY and
WHEN RECORDED RETURN TO:

Gary A. Kreitzer, Esq.
The Christiana Companies, Inc.
225 Broadway, 7th Floor
San Diego, California 92101

This is to certify that the attached is a true and correct
copy of Amendment
recorded March 11, 1986 as
Instrument No. 86-306643
Official Records.

FIRST AMERICAN TITLE COMPANY of LOS ANGELES
By Ruben Goodar

FIRST AMENDMENT OF DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR
DEL REY COLONY

THIS FIRST AMENDMENT OF DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR DEL
REY COLONY ("First Amendment") is made and entered into by
CHRISTIANA COMMUNITY BUILDERS, a California corporation, this
10th day of March, 1986, in amendment to that
certain document entitled "Declaration of Covenants, Conditions
and Restrictions and Reservation of Easements for Del Rey
Colony" (the "Declaration"), recorded September 14, 1984, in
File/Page 84-1104006 of the Official Records of the County
Recorder for the County of Los Angeles, State of California,
with reference to the following facts:

A. CHRISTIANA COMMUNITY BUILDERS is the Declarant
(as that term is defined in the Declaration) of the Declaration;

B. As of the date of this First Amendment, Declarant
owns all the Units (as that term is defined in the Declaration),
none of the Units are subject to any leasehold interests, and
Declarant is the only Owner (as that term is defined in the
Declaration);

C. This First Amendment is made in accordance with
that Agreement made on August 19, 1983 by and between Declarant
and the Executive Director of the Housing Authority of the City
of Los Angeles, recorded on June 8, 1984, in File/Page 84-689079
of the Official Records of the County Recorder for the County of
Los Angeles, State of California.

NOW, THEREFORE, Declarant hereby declares that:

154100-3



1. For the purposes of this First Amendment, and for the purposes of the Declaration as amended hereby, the definitions set forth in Article I of the Declaration are hereby incorporated herein by reference.

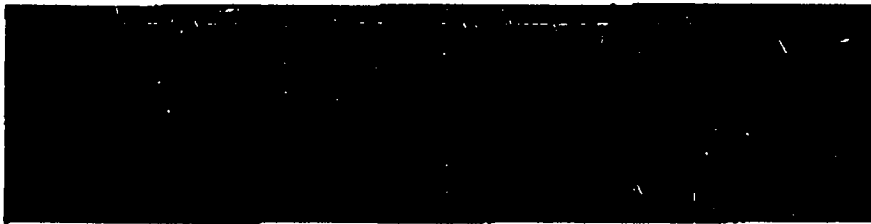
2. The Declaration is hereby amended by adding the following Section 13 to Article XII - GENERAL PROVISIONS:

Section 13. AGREEMENT C:

Declarant and its successors and assigns, and each Owner of a Condominium by their acceptance of their respective instruments of conveyance, covenant and agree, in addition to all other covenants contained herein, that the Property is subject to Agreement "C" recorded June 8, 1984, in File/Page No. 84-689079 of the Official Records of the County of Los Angeles, State of California, so long as the same remains in effect, said Agreement "C" being incorporated by reference herein and made a part hereof, a copy of which is attached hereto as Exhibit "A". Pursuant to said Agreement "C", as long as the same remains in effect, there exists a continuing right of first refusal in favor of the Housing Authority of the City of Los Angeles with respect to the Property.

3. Except as hereby amended, the Declaration shall remain in full force and effect.

86- 306643



IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument as of the day and year first above written.

CRISTIANA COMMUNITY BUILDERS,
a California corporation

By: Michael S. Grust
Its: Vice President

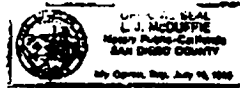
By: Gary A. Kretzer
Its: Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On March 10, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Michael S. Grust and Gary A. Kretzer, known to me to be the Vice President and Secretary, respectively, of the corporation that executed the within First Amendment of Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Del Rey Colony, Los Angeles County, California, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its By-Laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

L. J. McQuibbe
Notary Public in and for said
County and State



86- 306643

Recording requested by
and mail to:

152 Ordinance Office
HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES
515 Columbia Avenue
Los Angeles, California 90017

RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
1 MIN. 3 P.M. JUN 8 1984
PAST.

FREE VG

File No. 83-0200

AGREEMENT C

This Agreement is made on August 19, 1983, by and between
Christiana Community Builders

his successors and assigns, hereinafter referred to as the DEVELOPER, at business
address: 225 Broadway
City of San Diego, State of California, and the Executive
Director of the Housing Authority of the City of Los Angeles acting pursuant to
Section 12.39E of the Los Angeles Municipal Code, hereinafter referred to as the
HOUSING DIRECTOR.

WITNESSETH

The parties to this Agreement, pursuant to and in compliance with Ordinance
No. 145927 entitled, "An Ordinance amending Sections 12.03 and 13.04 of the
Los Angeles Municipal Code and adding Section 12.30 thereto", said Ordinance
having been adopted by the City Council of the City of Los Angeles on April 30,
1974 and approved by the Mayor on April 30, 1974, covenant and agree as follows:

SECTION I

A. That words and phrases used in this Agreement shall be interpreted
pursuant to the definitions set forth in Ordinance No. 145927. The word
"owner" shall mean the owner of a dwelling unit subject to the provisions of

Ordinance No. 145927.

B. That Ordinance No. 145927 was enacted for the purpose of making increased housing opportunities in the City of Los Angeles available to low and moderate income households.

C. That DEVELOPER desires to improve certain property described hereafter by constructing a Housing Development as defined in said Ordinance pursuant to a building permit to be issued by the City of Los Angeles.

D. That DEVELOPER is the owner of property commonly known as:

Del Rey Colony

and legally described as:

Lot 1, Tract No. 35183, City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1024, Pages 58, 59 & 60 of Maps, in the office of the County Recorder of said County.

E. That HOUSING DIRECTOR (pursuant to the said Ordinance) has determined that every reasonable effort has been made and that no units can be developed at a cost which would allow them to be purchased at the present time as low or moderate income dwelling units at the fair market value or that no subsidy is available to permit the purchase of the required units by low or moderate income households at the fair market value.

SECTION II

A. DEVELOPER recognizes and agrees that this Housing Development is required by Ordinance No. 145927 from and after completion of this development, to provide 6% of the units as Low Income Dwelling Units and 9% of the units as Low or Moderate Income Dwelling Units.

B. DEVELOPER, in lieu of developing the units required by Ordinance No. 145927, hereby grants to the Housing Authority the continuing right to require

that any units in the development, up to a total of 15 percent of the total number of units therein, be sold at the then fair market value only to low or moderate income households approved by the Housing Authority. This Agreement shall run with the land and shall be binding on DEVELOPER'S transferees or successors in interest.

C. In implementation of this Agreement, DEVELOPER agrees to incorporate in all documents transferring any dwelling unit in the Housing Development and in the Declaration of Covenants, Conditions and Restrictions, the provisions of this Agreement.

D. Any provision hereof to the contrary notwithstanding, (i) the continuing right of first refusal created hereby shall have no applicability whatsoever to any foreclosure sale (whether judicial or non-judicial) conducted under or pursuant to the terms of a valid deed of trust; (ii) the provisions of this instrument shall not invalidate the lien of any mortgage or deed of trust made in good faith and for value, but the terms of this Agreement shall be binding upon any person whose title is derived through foreclosure sale or trustee's sale, including the purchaser at said sales.

SECTION III

In the event an owner, (including one who has purchased a dwelling unit in the housing development at a foreclosure sale, or acquired the property by deed in lieu of foreclosure), desires to sell a subject dwelling unit, the following procedures will be followed:

1. OWNER must notify the Housing Authority in writing of the availability of a subject unit. OWNER should indicate in the notification the fair market value of the property.
2. Within seven calendar days after receipt of notification, the Housing

Authority shall do one of the following:

- i. Notify OWNER that it does not have a low or moderate income household ready, willing and able to purchase the unit at the suggested fair market value; or
 - ii. Notify OWNER that the Housing Authority has determined that the unit has a lower fair market value, and that the Housing Authority has a household ready, willing and able to purchase at that different figure.
3. In the event that OWNER declines to sell to the Housing Authority household at the Housing Authority's fair market value figure, the Housing Authority should be notified of such fact as soon as possible and the owner may proceed to sell the unit to any bona fide purchaser for value at a price above the Housing Authority's fair market figure.
4. In the event that the OWNER receives and is willing to accept an offer to purchase the unit at or below the Housing Authority's fair market figure, the Housing Authority must be re-notified and given an opportunity to exercise its right of first refusal at that offered price.
5. In the event that 15% of the dwelling units in the housing development are owned by low and moderate income households approved by the Housing Authority pursuant to the terms of this Agreement, upon receipt of the above-required notification, the Housing Authority shall notify owner that it will not exercise its right of first refusal.

SECTION IV

- A. The right to enforce this Agreement through any proceedings at law or in equity lies only with the Housing Authority, its successors, the HOUSING DIRECTOR and the City of Los Angeles.
- B. This Agreement shall be binding upon the heirs, executors, administrators,

assignees, transferees and successors of the respective parties.

C. It is understood and agreed that no waiver of a breach of any of the provisions of this Agreement shall be construed as a waiver of any other breach; nor shall failure to enforce any portion of this Agreement be construed as a waiver of any of the conditions of this Agreement.

D. In the event DEVELOPER, OWNER, or their successors and assigns attempt to sell a dwelling unit subject to the provisions of this Agreement without affording the Housing Authority the right of first refusal provided for herein, such sale shall be voidable and may be set aside by the Housing Authority.

E. Upon written request of any prospective seller or purchaser of any dwelling unit subject to the terms of this Agreement, the Housing Authority shall issue a written and acknowledged certificate in recordable form, evidencing that (a) with respect to a proposed sale that proper notice was given by the selling owner and that the Housing Authority did not elect to exercise its right of first refusal; or (b) with respect to a proposed foreclosure sale that such transfer is not subject to the Housing Authority's right of first refusal.

F. It is expressly agreed that if any condition or restriction contained herein or any portion thereof is invalid or void, such shall in no way affect any other condition or restriction.

G. Any or all of the obligations of DEVELOPER set forth in this Agreement may be released by an instrument executed under the authority of an Ordinance of the City of Los Angeles to the extent and by the person directed in each Ordinance. Unless so released, the repeal or amendment of Ordinance No. 145927 shall not affect the validity, enforceability or construction of this Agreement.

H. These provisions shall cease to have any effect or confer any right or power upon the Housing Authority sixty years from the date on which this Agreement is recorded.

IN WITNESS WHEREOF, the parties have executed this Agreement at:
San Diego County and
Los Angeles County, California the day and year first above written.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

HOMER SMITH
EXECUTIVE DIRECTOR

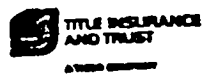
Christiana Community Builders,
DEVELOPER (Name typed or printed)

(Signature/s and titles):

By [Signature]
Date 6/4/84

* [Signature]
VICE PRESIDENT
* [Signature]
PRESIDENT

CAT. NO. 4408732
TO 1946 CA 17-629
(Corporations)

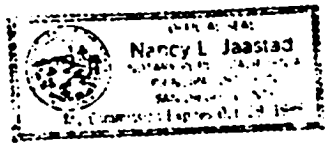


STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS.

On 19th Day of August 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared RAYMOND F. LOGAN personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President, and JONATHAN D. FRIESTEDT

personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the VICE PRESIDENT Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.
Signature Nancy L. Jaastad



NOTARIZED.

(This area for official notarial seal)

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.

On June 4, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared Homer Smith, personally known to me to be the Executive Director of the Housing Authority of the City of Los Angeles and personally known to me to be the person who executed the within instrument on behalf of said Housing Authority of the City of Los Angeles, and acknowledged to me that such Housing Authority of the City of Los Angeles executed the same.

WITNESS my hand and official seal.

Signature Ann E. Lawson
Ann E. Lawson

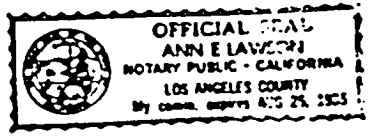


TABLE OF CONTENTS

ARTICLE I - DEFINITIONS	2
ARTICLE II - ESTABLISHMENT OF CONDOMINIUMS	4
ARTICLE III - NONSEVERABILITY OF CONDOMINIUMS	4
ARTICLE IV - DEL REY COLONY HOMEOWNERS ASSOCIATION	
Section 1. Organization	5
Section 2. Membership	5
Section 3. Voting	6
Section 4. Duties of The Association	8
Section 5. Powers and Authority of The Association	12
Section 6. Limitations on Powers of The Board	14
Section 7. The Association Rules	16
Section 8. Personal Liability	16
ARTICLE V - ASSESSMENTS, LIENS, ENFORCEMENT	
Section 1. Creation of the Lien and Personal Obligation for Assessments	17
Section 2. Purposes of Assessments	17
Section 3. Annual Assessments	17
Section 4. Special Assessments for Capital Improvements	19
Section 5. Special Assessment for Emergency Needs	19
Section 6. Notice and Quorum for any Action Authorized under Sections 3, 4 and 5	20
Section 7. Remedial Assessments	20
Section 8. Property Tax Assessments	21
Section 9. Due Dates of Annual Assessments; Certificate Regarding Assessments	21
Section 10. Effect of Nonpayment of Assessments; Remedies of The Association	22
Section 11. Assignment of Rents	25
Section 12. Subordination to Certain Trust Deeds	25
ARTICLE VI - EASEMENTS	
Section 1. Roads and Utilities	26
Section 2. Encroachments	26
Section 3. Use by Declarant	27
Section 4. Utility Easements to Owners	27
Section 5. Easement Reserved by Declarant	28

ARTICLE VII - COVENANTS AND USE RESTRICTIONS		28
Section 1.	Partition of Common Area	28
Section 2.	Residential Use	28
Section 3.	Interior Decoration	28
Section 4.	Maintenance by Owner	30
Section 5.	Common Area	30
Section 6.	Signs	31
Section 7.	Obnoxious and Offensive Activities	31
Section 8.	Animals	31
Section 9.	Vehicles	32
Section 10.	Debris and Outside Storage	32
Section 11.	Alterations and Improvements	32
Section 12.	Taxes and Utility Charges	32
Section 13.	Restrictive Agreements	33
Section 14.	Pests	33
Section 15.	Cable Television; Miscellaneous Equipment	33
Section 16.	Parking and Street Obstructions	33
Section 17.	Compliance with Laws	33
Section 18.	Extraction of Minerals	34
Section 19.	Drainage	34
Section 20.	Lagoon	34
Section 21.	Exceptions	
ARTICLE VIII - ENVIRONMENTAL CONTROL COMMITTEE		35
Section 1.	Establishment of Committee Membership	37
Section 2.	Operation of Committee	39
Section 3.	Access to Project	39
Section 4.	Waiver	39
Section 5.	Liability	
ARTICLE IX - DESTRUCTION		40
Section 1.	Repair, Reconstruction of Disposition	42
Section 2.	Action for Partition	42
Section 3.	Sale by The Association	
ARTICLE X - CONDEMNATION		43
Section 1.	Taking of Entire Project	

Section 2.	Partial Taking	43
Section 3.	Taking of Units	44
ARTICLE XI - ENFORCEMENT		45
ARTICLE XII - GENERAL PROVISIONS		
Section 1.	Amendments	46
Section 2.	Notices	47
Section 3.	Severability	47
Section 4.	Successors of Declarant	48
Section 5.	Inapplicability to Property of Public Entity	48
Section 6.	Violation and Nuisance	48
Section 7.	Violation of Law	48
Section 8.	Notification of Sale of Condominium	48
Section 9.	Breach	49
Section 10.	Special Mortgage Requirements	49
Section 11.	Gender	51
Section 12.	Term	51



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR
D E L R E Y C O L O N Y

THIS DECLARATION made this 5th day of September, 1984, by CHRISTIANA COMMUNITY BUILDERS, a California corporation, herein referred to as Declarant, is as follows:

WITNESSETH:

WHEREAS, Declarant owns that certain real property described as Lot 1 of Tract No. 35183 in the City of Los Angeles, the County of Los Angeles, State of California, as per map (the "Map") recorded in Book 1024, Pages 58 to 60, inclusive, of Maps, in the Office of the County Recorder of Los Angeles (the "Property"); and

WHEREAS, Declarant intends to improve the Property by constructing on it structures containing a total of fifty-four (54) condominium units and recreational and common area facilities, all to be known as Del Rey Colony; and

WHEREAS, Declarant intends to and does hereby establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property certain easements and rights in, over and upon the Property, and certain mutually beneficial covenants, conditions, restrictions and obligations with respect to the proper use, conduct and maintenance thereof;

NOW, THEREFORE, pursuant to the provisions of Chapter 1 of Title 6, Part IV of Division 2 of the California Civil Code, and Section 1468 of the California Civil Code, Declarant hereby declares that all of the Property and each part thereof shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of, and which shall constitute equitable servitudes on the Property and which shall run with the Property and be binding on and inure to the benefit of all parties having any right, title or interest therein, or in any part thereof, their heirs successors and assigns.

ARTICLE I
DEFINITIONS

As used herein, unless otherwise specified or unless the context otherwise requires:

"Articles" shall mean the Articles of Incorporation of the Del Rey Colony Homeowners Association, which are, or shall be, filed in the Office of the Secretary of State of California, as said Articles are amended from time to time.

"Association" shall mean Del Rey Colony Homeowners Association, a non-profit mutual benefit corporation whose members shall consist of the owners of condominiums on the "Project" (as hereinafter defined).

"Board" shall mean the Board of Directors of the Association.

"By-Laws" shall mean the By-Laws of the Association as such By-Laws may be amended from time to time.

"City" shall mean the City of Los Angeles.

"Common Area" shall mean all of the "Project" (as hereinafter defined) excepting the Units.

"Condominium" shall mean an estate in real property as defined in Section 783 of the California Civil Code, consisting of an undivided interest in common in the Common Area, together with a separate interest in a Unit.

"Condominium Plan" shall mean that certain plan or plans for condominium development of the Project filed in the Office of the County Recorder of Los Angeles County prior to the sale of any Unit to any Owner other than Declarant, as such condominium plan may be modified, revised or amended from time to time.

"County" shall mean the County of Los Angeles.

"Declaration" shall mean this instrument by which the Property is established to be a condominium development, as this Declaration may from time to time be amended.

"Declarant" shall mean CHRISTIANA COMMUNITY BUILDERS, a California corporation, its successors and assigns, if such successors and assigns should acquire any portion of the Project from CHRISTIANA COMMUNITY BUILDERS and is designated by CHRISTIANA COMMUNITY BUILDERS as the Declarant for the purpose hereof by a duly recorded written instrument.

"Lien" shall mean both voluntary and involuntary liens.

"Director" shall mean a member of the Board.

"Restricted Common Area" shall mean that portion of the Common Area over, on, and through which each "Owner" (as hereinafter defined) is granted an easement for exclusive use appurtenant to his Unit, being more particularly described in Article II hereof, and shown on the Condominium Plan describing his Unit.

"Member" shall mean every person or entity who holds membership in the Association.

"Mortgagee" shall mean the beneficiary of a recorded deed of trust or the holder of a recorded mortgage.

"Owner" shall mean the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of record of a Condominium and interests appurtenant thereto, but excluding those having an interest merely as security for the performance of an obligation.

"Project" or "the Project" shall mean the Property, including all structures and other improvements constructed or to be constructed thereon.

"Property" or "the Property" shall mean that certain real property described as Lot 1 of Tract No. 35183 in the City of Los Angeles, the County of Los Angeles, State of California, as per map (the "Map") recorded in Book 1024, Pages 58 to 60, inclusive, of Maps, in the Office of the County Recorder of Los Angeles County.

"Shall" is mandatory and not merely directory.

"Tract No. 35183" means that real property shown on the map of Tract No. 35183 recorded in Book 1024, Pages 50 to 60, inclusive, of Maps in the Office of the Los Angeles County Recorder.

"Unit" shall mean the physical elements of a Condominium which are not owned in common with the Owners of other Condominiums, being more particularly described in Article II hereof, and on the Condominium Plan.

"Del Rey Colony" shall mean Lot 1 of Tract 35183 in the City of Los Angeles, County of Los Angeles, State of California as per map recorded in Book 1024, Pages 58 to 60, inclusive, of Maps in the Office of the County Recorder of Los Angeles County.

ARTICLE II

ESTABLISHMENT OF CONDOMINIUMS

Declarant, in order to establish a plan of condominium ownership for the Project, hereby divides the Project into the following separate interests:

A. Fifty-four (54) Units which shall be individually conveyed to Owners other than Declarant. Each of said Units, which are each separately shown, numbered and designated on the Condominium Plan (which plan is made a part hereof as if fully set forth as an exhibit hereto) shall be a separate interest consisting of the space bounded by and contained within the interior surfaces of the perimeter walls, floors, ceilings, windows and doors of the building containing said Unit. Each of said Units includes both the portions of the building so described and the airspace so encompassed, including therein the bearing walls, columns, vertical supports, finished floors, beams, balcony railings, central services, pipes, ducts, chutes, flues, conduits, wires, outlets and other utility installations located within the boundaries of the Unit, excepting therefrom, however, exterior wall surfaces, foundation slabs, roofs, gutters and downspouts. In interpreting deeds, declarations and plans, the existing physical boundaries of a Unit, or of a Unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds (or other description) expressed in the deed, plan or declaration, regardless of settling or minor variance between boundaries shown on the Plan or in the deed or declaration and those of the Unit.

B. A separate interest consisting of that portion of the Common Area within the Project to be owned by the Owners of the Units as tenants in common, each as to an undivided one fifty-fourth (1/54th) interest therein.

C. A separate interest consisting of an exclusive easement for yard, deck, storage and balcony purposes, as described in the Condominium Plan and herein referred to as the "Restricted Common Area."

ARTICLE III

NONSEVERABILITY OF CONDOMINIUMS

No Owner shall be entitled to sever his Unit, or any portion thereof, from his undivided interest in the Common Area. Neither of such component interests may be severally sold, conveyed, leased, encumbered, hypothecated or otherwise dealt with, and any such attempt to do so in

violation of this provision shall be void and of no effect. It is intended hereby to restrict severability in the manner provided in subparagraph C of Section 1355 of the California Civil Code. Declarant and its successors, assigns and grantees each covenant and agree that the undivided interests in the Common Area, the Units conveyed therewith and the easements and interests appurtenant thereto, shall not be separated or separately conveyed, and (a) each said undivided interest in the Common Area shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to title to the Unit, and (b) each of said Units shall be deemed to be conveyed or encumbered with its respective undivided interest in the Common Area even though the description in the instrument of conveyance or encumbrance may refer only to title to the respective undivided interest in the Common Area.

ARTICLE IV

DEL REY COLONY HOMEOWNERS ASSOCIATION

Section 1. ORGANIZATION:

The Association is a non-profit mutual benefit California corporation, which shall be the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Common Area, and all other portions of the Project it is required or permitted to maintain pursuant to this Declaration, and shall have the duties and powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor By-Laws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail.

Section 2. MEMBERSHIP:

(a) Qualifications:

Each Owner of a Condominium, including Declarant, but excluding persons or entities who hold an interest merely as security for the performance of an obligation, shall automatically, upon becoming an Owner, become a Member of the Association, and shall remain a Member until he ceases to own any Condominium in the Project. When more than one person is the Owner of a Condominium, all such persons shall be Members.

(b) Membership Rights and Duties:

Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the By-Laws and the Association Rules which are adopted pursuant to Article IV, Section 7, as said documents may be amended from time to time.

(c) Transfer of Membership:

The Association membership of each Owner (including Declarant) shall be appurtenant to the Condominium giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said condominium, and then only to the transferee of title to said Condominium. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

Section 3. VOTING:

(a) Number of Votes:

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners of Condominiums in the Project except Declarant and shall be entitled to one (1) vote for each Condominium owned.

Class B. The Class B Member shall be the Declarant, who shall be entitled to three (3) votes for each Condominium owned in the Project. Class B membership shall cease and be converted to Class A membership on the happening of the earliest of the following events:

(1) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership;

or

(2) The second anniversary of the original issuance by the California Department of Real Estate of the Final Subdivision Public Report for the Project.

Unless otherwise expressly provided in this Declaration, any provision herein calling for membership approval of action to be taken by the Association (except that provided for in Article IV, Section 4(h) hereof) shall require the vote or written assent of a majority of each class of membership during the time that there are two outstanding classes of membership.

(b) Joint Owners Disputes:

The vote for each such Condominium must be cast as a unit, and fractional votes shall not be allowed. In the event that the joint Owners are unable to agree among themselves as to how their one (1) vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a Condominium, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Condominium. In the event more than one (1) vote is cast for a particular Condominium, none of said votes shall be counted and said votes shall be deemed void.

(c) Election and Removal of Board - Cumulative Voting Features:

Every Owner entitled to vote at any election of the Board may cumulate his vote and give one (1) candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which his Unit(s) is entitled, or may distribute his vote on the same principle among as many candidates as he desires; provided that the procedural prerequisites for cumulative voting set forth in Section 7615(b) of the California Corporations Code are satisfied. The entire Board or any individual Director may be removed from office by affirmative vote of fifty one percent (51%) of the Members entitled to vote at an election of the Board. However, unless the entire Board is removed, an individual Director shall not be removed prior to the expiration of his term of office, if the number of votes against the resolution for his removal would be sufficient to elect the Director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most recent election of the Director were then being elected. If any or all of the Directors are so removed, new Directors may be elected at the same meeting. Each Director must be a Member of the Association or a representative of Declarant designated by Declarant.

(d) Special Procedure:

To assure resident Owner representation on the Board, at least twenty percent (20%) of the Directors shall have been elected solely by the vote of the Owners other than Declarant, for so long as a majority of the voting power of the Association resides in Declarant, or so long as there are two (2) classes of membership in the Association. A Director who has been elected to office solely by the vote of Members of the Association other than Declarant, may be removed from office prior to the expiration of his term of

office only by the vote of at least a simple majority of the voting power residing in Members, other than Declarant.

(e) Approval of Actions of the Association:

So long as there are two (2) classes of membership in the Association, any action by the Association which, pursuant to this Declaration, requires the approval of the Association membership before being undertaken, shall require the vote or written consent of that percentage of the votes of each class of membership prescribed in the provision hereof requiring such approval.

(f) Vesting of Voting Rights:

Voting rights attributable to Condominiums (other than those owned by Declarant) shall not be vested until assessments against such Condominiums have been levied by the Association in accordance with the provisions of Article V hereof.

Section 4. DUTIES OF THE ASSOCIATION:

In addition to the powers delegated to it by its Articles, and without limiting the generality thereof, the Association shall have the obligation to perform each of the following duties:

(a) Maintenance and Management of the Common Area:

To maintain, manage, preserve, and control all of the Common Area (including plumbing, utilities and sewer facilities to the interior wall of each Unit); all easements for operation and maintenance purposes over the Common Area; all easements for the benefit of the Association Members within the Common Area; and such property as the Members of the Association by a vote of fifty-one percent (51%) of the voting power allocated to the Members elect to maintain.

The Association shall provide for the exterior maintenance of each building containing Units only as follows: paint, maintain, repair and replace (if required because of normal wear, tear or deterioration or an event against which the Association is insured) roofs, gutters, downspouts and exterior building surfaces, (excluding exterior surfaces of patios and/or decks within the yard area, garage decks, storage areas and balconies) and maintain the landscaping (including trees, grass, shrubs, and walks) within the Common Area and the adjacent public streets. The Association shall also maintain the roadway, recreation area and lagoon.

Such exterior maintenance shall not include glass surfaces; exterior doors; landscaping within the yard area; the yard area, garage deck, storage area and balcony areas of each Condominium; patio covers or other additions built and maintained within said yard area, garage deck and balcony areas by an Owner; repairs or replacements arising out of or caused by the willful or negligent act of an Owner, his family, guests or invitees. Such excluded items shall be the responsibility of each Owner.

(b) Rubbish Collection:

To provide refuse pick-up and garbage disposal for the Common Area, and for the Units if such service for the Units is deemed appropriate by the Board.

(c) Water and Other Utilities:

To acquire, provide and/or pay for water, gas, sewer, electrical, telephone and other necessary utility services for the Common Area, and for the Units if such service for the Units is deemed appropriate by the Board.

(d) Insurance:

To obtain and maintain in force the following policies of insurance:

(1) Fire and extended coverage insurance and all risk coverage on the Project in form and amounts satisfactory to Mortgagees holding first deeds of trust encumbering Condominiums, but without prejudice to the right of the Owner of a Condominium to obtain individual insurance, the amount of such insurance to be not less than one hundred percent (100%) of the aggregate full insurable value of such Condominium.

(2) General comprehensive public liability insurance against claims for personal or bodily injury, death or property damage with limits with regard to injury or death of not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury and property damage arising from the activities of the Association or with respect to property under its jurisdiction. Said liability insurance shall name and separately protect as insureds Declarant, the Association, the Board and their representatives, members and employees, and the Association Members (as a class), with respect to any liability arising out of the maintenance or use of the Project or other property under the jurisdiction of the Association.

(3) Such other insurance, including worker's comprehensive liability insurance to the extent necessary to comply with any applicable law, faithful performance and fidelity bonds to insure the Association against any

loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any Association funds or other property and such indemnity and other bonds as the Board shall deem necessary or expedient to carry out the Association's functions.

(e) Rule Making:

To make, establish, promulgate, amend and repeal the Association Rules.

(f) Enforcement of Restrictions and Rules:

To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the Association Rules.

(g) Budgets and Financial Statements:

The following financial and related information shall be regularly prepared and distributed by the Board to all members of the Association:

(1) A budget for each fiscal year consisting of at least the following information shall be distributed not less than 45 days prior to the beginning of the fiscal year.

(A) Estimated revenue and expenses on an accrual basis.

(B) The amount of the total cash reserves of the Association currently available for replacement or major repair of common facilities and for contingencies.

(C) An itemized estimate of the remaining life of, and the methods of funding to defray the costs of repair, replacement or additions to, major components of the common areas and facilities for which the Association is responsible.

(D) A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible.

(2) A balance sheet as of an accounting date which is the last day of the month closest in time to six (6) months from the date of recordation of the deed for the first sale of a Condominium to a retail purchaser and an operating statement for the period from the date of

recording of the deed for such first sale to such accounting date, shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the Condominium and the name of the person or entity assessed.

(3) A report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year.

(A) A balance sheet as of the end of the fiscal year.

(B) An operating (income) statement for the fiscal year.

(C) A statement of changes in financial position for the fiscal year.

(D) For any fiscal year in which the gross income to the Association exceeds \$ 5,000, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy.

If the report referred to in paragraph (3) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

In addition to financial statements, the Board shall annually distribute within 60 days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against Members' subdivision interests.

(h) Enforcement of Bonded Obligations:

In the event any Common Area improvements included within any portion of the Project have not been completed prior to the issuance under the California Real Estate Law of the final subdivision public report for the Project, and the Association is the obligee under a bond or other arrangement ("Bond") to secure the performance of the commitment of Declarant to complete such improvements, the following actions shall be taken:

(1) The Board shall be directed to consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any improvement for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for that improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall be directed to consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of the extension.

(2) A special meeting of the Members of the Association may be held for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the Bond or on the failure of the Board to consider and vote on the question. The meeting shall be required to be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such a meeting signed by Members representing five percent (5%) or more of the total voting power of the Association.

(3) A vote by Members of the Association other than the Declarant at the special meeting called for the purpose set forth in (2) above.

(4) A vote of a majority of the voting power of the Association residing in Members other than Declarant to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

Section 5: POWERS AND AUTHORITY OF THE ASSOCIATION:

The Association shall have all the powers of the non-profit corporation organized under the Non-Profit Mutual Benefit Corporation Law of the State of California, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association by this Declaration, the Articles and the By-Laws, and to do and perform any and all acts which may be necessary or proper or incidental to

the exercise of any of the express powers of the Association, including without limitation:

(a) Assessments:

To levy assessments against the Owners of Condominiums and to enforce payment of such assessments, all in accordance with the provisions of Article V hereof.

(b) Right of Entry and Enforcement:

To enter into any Unit or any Common Area for the purpose of ascertaining whether the provisions of this Declaration have been or are being complied with, for the purpose of enforcing by peaceful means any of the provisions of this Declaration and the Association Rules or for the purpose of constructing, maintaining or repairing any such area as required by this Declaration. Any entry into a Unit shall be after twenty-four (24) hours prior written notice to the Owner, or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency. The Association shall also have the power and authority from time to time in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and the Association Rules and to enforce, by mandatory injunction or otherwise, all of the provisions hereof. In addition, or as an alternative method of enforcing this Declaration and the Association Rules, the Board may impose monetary penalties, temporary suspensions of an Owner's rights as a Member of the Association or other appropriate discipline for failure to comply with this Declaration or the Association Rules, provided that the procedures for notice and hearing satisfying the Declaration, By-Laws and the minimum requirements of Section 7341 of the California Corporations Code are given to the accused Member before a decision to impose discipline is reached.

(c) Employment of Agents:

To employ the services of any person or entity as managers, or other employees, as may be directed by the Board, to manage, conduct, and perform the business, obligations and duties of the Association, and enter into contracts for such purpose. Such agents shall have the right to ingress and egress over such portions of the Project as is necessary for the performance of such business, duties and obligations.

(d) Employment of Professional Advisors:

To employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, recreation experts, architects, engineers, planners, lawyers and accountants.

(e) Borrowing of Money:

To borrow and repay monies for the purpose of maintaining and improving the Common Area.

(f) Easements:

To grant easements where necessary for utilities and sewer facilities within the Common Area to serve the Common Area and the Units.

(g) Hold Title and Make Conveyances:

To acquire, hold title to and convey, with or without consideration, real and personal property and interests therein, including but not limited to easements.

(h) Services:

To contract for or otherwise provide for all goods and/or services necessary or convenient to the management, maintenance and operation of the Project and/or the Association.

(i) Agreements with Declarant:

To enter into agreements with Declarant regarding insurance coverages and other matters.

(j) Taxes and Assessments:

To pay taxes and assessments which are, or could become a lien on the Common Area or a portion thereof.

(k) Delegation of Power:

To delegate its powers to committees, officers, employees of the Association as expressly authorized in the Declaration and By-Laws.

(l) Officers:

To elect officers of the Board.

Section 6. LIMITATIONS ON POWERS OF THE BOARD:

(a) Notwithstanding the power of the Association as set forth in Section 5 hereof, the Board shall not take any of the following actions without the prior vote or written consent of a majority of the voting power of the Members of the Association.

(i) Enter into a contract with a third (3rd) person or entity wherein such person or entity will furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

(1) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(2) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(3) Prepaid casualty and/or liability insurance policies if not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured.

(4) Lease agreements for laundry room fixtures and equipment not to exceed five (5) years; provided, however, that the lessor under the agreement is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more.

(ii) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(iii) Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(iv) Pay compensation to Directors or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the Board may cause a Director, Member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

(v) Fill any vacancies on the Board except for a vacancy created by the removal of a Director.

(b) Notwithstanding anything herein contained to the contrary, any agreement for professional management of the Project, or any other contract providing for services by Declarant, must provide for termination by either party without cause or payment of a termination fee, on ninety

(90) days or less written notice and a maximum contract term of three (3) years.

Section 7. THE ASSOCIATION RULES:

By a majority vote of the Board, the Association may, from time to time, adopt, amend, and repeal such rules and regulations as it may deem reasonable (the "Association Rules"). The Association Rules shall govern the use of any facilities owned or controlled by the Association and the Common Area, by any Owner, or by any invitee, licensee or lessee of such Owner, by the family of such Owner, or by any invitee, licensee or lessee of the family of such Owner, provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with the Declaration, the Articles or the By-Laws. A copy of the Association Rules as they may from time to time be amended, adopted or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, said Association Rules shall have the force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between any such Association Rules and any of the other provisions of this Declaration, or the Articles or the By-Laws, the provisions of such Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the By-Laws to the extent of such inconsistency. In the event of any conflict between the provisions of this Declaration and provisions of the By-Laws or Articles, the provisions of this Declaration shall prevail.

Section 8. PERSONAL LIABILITY:

No Director or any officer of the Association, or the Declarant, or the manager (if there is one), shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the manager or any other representative or employee of the Association, the Declarant, or any officer of the Association, or of the Declarant, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, and without willful or intentional misconduct.

ARTICLE V

ASSESSMENTS, LIENS, ENFORCEMENT

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS:

Subject to the provisions of Article V, Section 10 hereof, the Declarant, for each Condominium owned or to be constructed in the Project, hereby covenants, and each Owner of any Condominium by acceptance of a Deed therefor, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree, for each Condominium owned, to pay to the Association Annual Assessments, Special Assessment, Emergency Assessments, Remedial Assessments and Property Tax Assessments, all of which shall be established, made and collected as hereinafter provided. The Annual, Special, Emergency, Remedial and Property Tax Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Condominium against which such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be a personal obligation of the person who is the Owner of such Condominium at the time when the assessment becomes due and payable. The personal obligation for delinquent assessments shall not pass to an Owner's successor(s) in title unless expressly assumed by him (them). No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area, or any part thereof, or by abandonment of his Condominium.

Section 2. PURPOSES OF ASSESSMENTS:

Assessments levied shall be exclusively to promote the recreation, health, safety and welfare of the residents of the Project, the improvement, operation and maintenance of the Common Area, and the performance of the duties of the Association as set forth in this Declaration.

Section 3. ANNUAL ASSESSMENTS:

(a) Initial Contribution to Capital of the Association:

The initial purchaser of each Condominium from Declarant, upon acquisition of such Condominium, shall be required to make a single payment of One Hundred Dollars (\$100.00) to the Association, said amount to be retained by the Association to pay any amounts permitted by this Declaration for which the assessments provided for herein prove to be deficient or inadequate. Such payment shall be made through such Owner's purchase escrow.

(b) Levy and Enforcement of Annual Assessments:

Annual Assessments shall be made, and enforced, by the Board in the manner provided in this Declaration against the Owners of all Condominiums in the Project, including the Declarant. The operation, management and maintenance of the Common Area, together with the rights, duties and obligations of the Association as set forth in this Declaration, shall be the sole and exclusive obligation of the Association.

(c) Amount of Assessments:

On a calendar year basis, the Annual Assessment for each Condominium for the operation and maintenance of the Common Area shall be determined according to the following ratio:

$$A = \frac{C}{U}$$

Where "A" is the annual dollar assessment on the Condominium; "C" is the total dollar expense of the Association, incurred or reasonably expected to be incurred during the twelve (12) month period for which the assessment is levied for owning, operating, maintaining, repairing, and reconstructing the Common Area in the Project and any other areas the Association agrees to maintain pursuant to Article IV, Section 4(a) hereof, including reserves relating to repair and replacement of the Common Area as required by good business practice, after deduction of reasonably anticipated income during the same period from sources other than assessments; "U" is the total number of Units in the Project.

(d) Increase and Decrease of Annual Assessments:

The Annual Assessment may be increased by the Board to the next year without a vote of the Members of the Association in an amount which does not exceed twenty percent (20%) of the preceding year's Annual Assessment for the current year. Any increase in the Annual Assessment which exceeds twenty percent (20%) of the preceding year's Annual Assessment shall be made only upon the affirmative vote of Declarant and a majority of the voting power of the Association residing in Members other than Declarant.

(e) Reserve Fund:

All reserve funds included within the Annual Assessments shall be deposited, on or before the end of the fiscal year, in an interest-bearing account or accounts, denominated either "Repair and Maintenance Trust Fund

Account" or "Capital Expansion Trust Fund Account" in any bank or trust company under the supervision of the California Superintendent of Banks, The California Commissioner of Savings and Loan Associations or the United States Controller of the Currency as may be determined by the Board by resolution, or invested in certificates of deposit or banker's acceptances issued by a bank or financial institution having assets in excess of Five Hundred Million Dollars (\$500,000,000.00).

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS:

In addition to the Annual Assessments authorized above, the Board may levy, during any fiscal year, a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto; provided that any such assessment which exceeds an amount equal to five percent (5%) of the budgeted gross expenses of the Association for the fiscal year shall be approved by a vote or written consent of Declarant and a majority of the voting power of the Association residing in Members other than Declarant as set forth in Section 6 hereof. Special Assessments shall be levied on a uniform basis; provided, any Special Assessment levied for the purpose of financing the rebuilding or major repairs of structural Common Area encompassing any Unit(s) shall be levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of all Units to be assessed.

Section 5. SPECIAL ASSESSMENT FOR EMERGENCY NEEDS:

If the assessments levied in any month are, or will become, inadequate to meet all expenses incurred hereunder for any reason, including nonpayment of any Owner's assessments on a current basis, the Board shall immediately determine the approximate amount of such inadequacy for such month and issue a supplemental budget, noted as to the reason therefor, and levy an emergency assessment, on a uniform basis, for the amount required to meet all such expenses on a current basis ("Emergency Assessment"), against the Owners of each of the Condominiums, including the Declarant. Emergency Assessments which in the aggregate in any fiscal year exceed an amount equal to five percent (5%) of the budgeted gross expenses of the Association for the fiscal year may be levied only upon the

vote or written consent of the Members as provided in Section 6 of this Article.

Section 6. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3, 4 and 5:

Any action authorized under Sections 3, 4 or 5 of this Article V which requires the vote or written consent of the Members of the Association shall require such vote or written consent of a majority of the voting power of the Members of the Association. Such vote may be taken by written approval obtained at a meeting called for that purpose, at which a quorum need not be present, written notice of which shall be sent to all Members not less than ten (10) days or more than twenty (20) days in advance of the meeting. If the proposed action is favored by a majority of the voting power of the Association present at such meeting, Members who were not present in person or by proxy may give their consent in writing within ten (10) days after the aforesaid meeting so that the required percentage of the voting power of all Members may be obtained.

Section 7. REMEDIAL ASSESSMENTS:

Pursuant to this Declaration, the Board may levy an assessment against an Owner and his Condominium as a disciplinary measure for failure to comply with the Declaration, By-Laws or Association Rules or as a means to reimburse the Association for costs incurred by the Association in the repair of damage to the Common Area and facilities for which the Owner was allegedly responsible, or in bringing such Owner and his Condominium into compliance with provisions of this Declaration or the Association Rules ("Remedial Assessment"), provided that the procedures for notice and hearing, satisfying the minimum requirements of Section 7341 of the California Corporations Code, are followed with respect to the accused Owner before a decision to impose discipline is reached. Remedial Assessments shall be due ten (10) days after the Board gives written notice thereof to the Owner subject thereto. The provisions of Section 6 of this Article V with respect to approval of Special Assessments and Emergency Assessments shall not apply in the case of Remedial Assessments.

Remedial Assessments may not become a lien against an Owner's interest enforceable by a sale of the interest in accordance with the provisions of Sections 2924, 2924(b) and 2929(c) of the California Civil Code. This paragraph, however, does not apply to charges imposed against an

Owner, consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments.

Section 8. PROPERTY TAX ASSESSMENTS:

Until such time as the Los Angeles County Tax Collector segregates the property taxes on the Project into separate assessment for each Condominium, the Association shall, upon written request of Declarant, make and enforce a property tax assessment ("Property Tax Assessment") against each Owner whose Condominium is taxed to Declarant pursuant to an unsegregated property tax bill on the Project or any portion thereof. The Property Tax Assessment shall constitute a lien on such Owner's Condominium and shall be enforceable as herein provided. The amount of the Property Tax Assessment against each Owner shall be that portion of the unsegregated property tax which bears the same relationship to the total tax as the Owner's fractional undivided interest in the Common Area bears to the total of all Owners' interests in the Common Area. The Property Tax Assessment shall be due and payable no later than December 1 as to the first (1st) installment of property taxes and April 1 as to the second installment. No later than the aforesaid dates, the Association shall deliver to Declarant a check payable to the Los Angeles County Tax Collector in the total amount of the tax due from the Members of the Association. Upon receipt of said funds, Declarant shall cause the tax to be paid.

Section 9. DUE DATES OF ANNUAL ASSESSMENTS; CERTIFICATE

REGARDING ASSESSMENTS:

The first Annual Assessment and all Special Assessments except the Property Tax Assessment, shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the Annual Assessment against each Unit at least thirty (30) days in advance of each Annual Assessment period. Written notice of all assessments shall be sent to each Owner subject thereto. The Annual Assessments and Special Assessments shall be collected on a monthly basis and shall be due on the first (1st) day of each month, commencing on the first (1st) day of the first month following conveyance of the first Unit to a retail purchaser. The Emergency Assessments and Property Tax Assessment shall be due and payable at the time and in the manner specified by the Board. The Board

shall, upon written request therefor from any Owner or his mortgagee, and for a reasonable charge not to exceed Ten Dollars (\$10.00), furnish a certificate to such person or entity, signed by an officer of the Association, setting forth whether all Annual, Special, Emergency, Property Tax Assessments and any Remedial Assessment on a specified Unit have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 10. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION:

In the event of a default in payment of any assessment when due, such assessment shall be deemed to be delinquent. Each Owner vests in the Association or its assigns the right and power to bring all actions at law, liens, foreclosures or other remedies provided herein against the Owners for the collection of delinquent assessments. In the event an attorney or attorneys are employed for collection of any assessments, whether by suit or otherwise, each Owner agrees to pay reasonable attorney's fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In addition to any other remedies herein or by law provided, the Association may enforce the obligations of the Owners to pay the assessments provided for herein, and each of them, in any manner provided by law or in equity, and without any limitation of the foregoing by any or all of the following procedures:

(1) Suspension of Rights:

After a hearing by the Board (whether or not the delinquent Owner appears), upon fifteen (15) days written notice to the delinquent Owner, the Board may suspend the voting rights of any Owner and/or Owner's right to use that portion of the Common Area comprising the recreational facilities for any period during which any assessment against such Owner's Unit remains unpaid.

(2) Enforcement by Suit:

By commencement and maintenance of a suit at law against an Owner or prior Owner to enforce said assessment obligation, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, interest thereon at a maximum legal rate per annum from the date of the

delinquency, court costs and reasonable attorneys' fees, in such amount as the Court may adjudge against the delinquent Owner.

(3) Enforcement by Lien:

There is hereby created a claim of lien, with power of sale, on each and every Condominium to secure payment to the Association of any and all assessments levied against any and all Condominiums under this Declaration, together with interest thereon at the maximum legal rate per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after the occurrence of any default in the payment of such assessment, the Association or any authorized representative may, but shall not be required to make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid after delivery of such demand, or even without such a written demand being made, within ten (10) days after the date of delinquency, the Association may elect to file and record a notice of assessment and claim of lien on behalf of the Association against the Condominium of the defaulting Owner in the Office of the County Recorder of Los Angeles County. Such a notice of assessment and claim of lien shall be executed and acknowledged by an officer of the Association, and shall contain substantially the following information:

- A. the name of the delinquent Owner;
- B. the legal description and street address of the Condominium against which the claim of lien is made;
- C. the total amount of the delinquency, interest thereon, collection costs and reasonable attorney's fees (with any proper offset allowed);
- D. that the notice of assessment and claim of lien is made by the Association pursuant to this Declaration; and
- E. that a lien is claimed against said Condominium in an amount equal to the amount stated.

Upon such recordation of a duly executed original or copy of such a notice of assessment and claim of lien, and mailing a copy thereof to said Owner,

the lien claimed therein shall immediately attach and become effective. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a deed of trust by exercise of a power of sale contained therein or in the manner provided by law for the enforcement of a judgment as the laws of the State of California may from time to time be changed or amended. The Association shall have the power to bid in at any foreclosure sale, Trustee's sale or judgment sale and to purchase, acquire, lease, hold, mortgage and convey any Condominium. Reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law.

From and after the date of recording a notice of default pursuant to the aforesaid power of sale, or the commencement of other foreclosure proceedings or proceedings for enforcement of a judgment, until such time as possession of the Condominium is given to the Association or the buyer at such judgment or foreclosure sale, the Condominium Owner shall pay to the Association a reasonable rental for the Condominium, and the Association or its assignee or nominee may bring an action therefor.

The proceeds of any foreclosure, trustee's or judgment sale provided for in this Declaration shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees, title costs and costs of the sale, and all other expenses of the proceedings and sale, and the balance of the proceeds, after satisfaction of such charges and unpaid assessments hereunder or any liens, shall be paid to the defaulting Owner. Any purchaser at such sale shall thereupon be entitled to a deed to the Condominium and immediate possession of the Condominium and shall have the right to apply to a court of competent jurisdiction for such orders as may be reasonable for the purpose of acquiring and possessing the Condominium. It shall be a condition of such sale, and the deed so made shall provide, that the purchaser shall take the interest in the property sold subject to this Declaration.

Upon the timely curing of any default for which a notice of assessment and claim of lien was filed by the Association, the officers of the Association are hereby authorized to record an appropriate release of such lien in the Office of the Los Angeles County Recorder.

Section 11. ASSIGNMENT OF RENTS:

As security for the payment of all such liens, each Owner hereby gives to and confers upon the Association the right, power and authority, during the continuance of such ownership, to collect the rents, issues and profits of said Owner's Condominium, reserving unto the Owner the right, prior to any default by such Owner in performance of that Owner's obligation under this Declaration, or the By-Laws or the Articles, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Association may, at any time, upon fifteen (15) days written notice to such Owner, then either in person, by agent or by a receiver to be appointed by a court of competent jurisdiction, and without regard to the adequacy of any security for such indebtedness, enter upon and take possession of such Owner's Condominium or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, in payment of any indebtedness to the Association or in performance of any agreement hereunder, and in such order as the Association may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure nor waive any default hereunder or invalidate any act done pursuant to this Declaration.

The assignment of rents and powers described in the foregoing paragraph shall not affect, and shall in all respects be subordinate to, the rights and powers of the holder of any first or second mortgage on any Condominium, or any part thereof, to do the same or similar acts.

Section 12. SUBORDINATION TO CERTAIN TRUST DEEDS:

The lien of the assessments shall be prior to all encumbrances made by the Owner or imposed by legal process upon any Condominium except taxes, bonds, assessments and other levies, which, by law, are prior thereto, whether the notice of assessment and claim of lien is recorded prior or subsequent to any such encumbrances, except that the lien of the assessments shall be subordinate to the lien of any first mortgage or first deed of trust in favor of any Mortgagee, provided such first mortgage or deed of trust is made in good faith and for value and recorded in the Office of the Recorder of Los Angeles County prior to the recordation of the notice of assessment and claim of lien for said assessments. Sale or transfer of

any Condominium shall not defeat or affect the assessment lien. However, the sale or transfer of any Condominium which is subject to any first mortgage or deed of trust pursuant to a power of sale or judicial foreclosure under such first mortgage or deed of trust shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Condominium or the purchaser thereof, whether it be the former beneficiary of the first mortgage or deed of trust, or another person, from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

EASEMENTS

Section 1. ROADS AND UTILITIES:

Declarant hereby reserves for itself and hereby grants to each Owner, the Association and its Members, a non-exclusive easement for roadway, parking, ingress, egress, access and for all utility purposes incidental thereto, over and upon all of the streets and drives presently or hereafter existing within the boundaries of the Project, or any amendment to said Map or any map subsequently recorded for the Project. The easement hereby given to each Owner shall be appurtenant to and pass with title to each Owner's Condominium. The easement hereby reserved by the Declarant shall be both in gross and appurtenant to any Condominium owned at any time by Declarant, and may be conveyed by Declarant to the Owners, or any of them, of any Condominium in the Project, or in any other manner convenient or necessary to complete the improvements required on the Map of the Project, or shown on the Condominium Plan.

Section 2. ENCROACHMENTS:

If any portion of the Common Area encroaches upon any Unit or Units, an easement for the encroachments and for the maintenance of same, so long as it stands, shall and does exist in favor of said Common Area. In the event any multi-family structure is partially or totally destroyed, and then rebuilt, the Owners of Units agree that minor encroachments of parts of the Common Area due to construction shall be permitted and that valid easements for said encroachment and the maintenance thereof shall exist. The Common Area is and shall always be subject to easements for minor encroachments of the Units.

Section 3. USE BY DECLARANT:

Declarant and its agents and representatives shall have a non-exclusive easement for use of the Common Area and the facilities thereof for display and exhibit purposes in connection with the sale and resale of Condominiums within the Project, which easement Declarant expressly reserves until the later of (a) a period of three (3) years from the date of issuance of the most recent Final Subdivision Public Report on the Project, or (b) until escrows have closed on ninety percent (90%) of the Condominiums in the Project. Declarant shall also have an easement over all of the Common Area for ingress, egress and parking for Declarant, its agents, employees and prospective buyers, so long as Declarant shall own at least one (1) Condominium and maintain an active sales program. No such use by Declarant shall unreasonably restrict the Members in their use and enjoyment of the Common Area or the facilities thereon.

Section 4. UTILITY EASEMENTS TO OWNERS:

The rights and duties of the Owners of Condominiums within the Project with respect to sanitary sewer and water, electricity, gas and telephone lines and facilities shall be governed by the following:

(a) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines are installed within the Project, which connections or any portion thereof lie in or upon Condominiums owned by persons or entities other than the Owner of the Condominium served by the said connections, the Association shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon the Condominium or to have the utility companies enter upon the Condominium in or upon which said connections, or any portion thereof lays, to lay, repair, replace and generally maintain said connections as and when the same may be necessary as set forth below. Such entry shall be during normal business hours, except for emergencies.

(b) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines are installed within the Project, which connections serve more than one Condominium, the Owner of each Condominium served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Condominium.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of

the cost thereof, then, upon written request of one of the Owners addressed to the Association, the matter shall be submitted to the Board who shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

Section 5. EASEMENT RESERVED BY DECLARANT:

Easements over the Project for the installation and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, and for drainage facilities as required for the Map and Condominium Plan of the Project, and as may hereafter be required or needed to service the Project, and for the construction of all improvements to the Property to be made by Declarant are hereby reserved by Declarant, together with the right to grant and transfer the same.

ARTICLES VII

COVENANTS AND USE RESTRICTIONS

Declarant and its successors and assigns, by this Declaration, and each Owner of a Condominium, by their acceptance of their respective instruments of conveyance, covenant and agree, in addition to all other covenants contained herein, as follows:

Section 1. PARTITION OF COMMON AREA:

The Common Area shall remain undivided and no Owner shall bring any action for partition, except as otherwise hereinafter provided.

Section 2. RESIDENTIAL USE:

The Units shall be occupied and used by the respective Owners only as a private dwelling for the Owner, his family, tenants and lessees for any term, and social guests and for no other purpose, except that Declarant may use any Units owned by Declarant as a sales office and as a model home or homes in connection with its sales program for the Condominiums.

Section 3. INTERIOR DECORATION:

Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own Unit and to landscape and/or decorate his Restricted Common Area which includes the garage deck, yard area, storage area and balcony.

Section 4. MAINTENANCE BY OWNER:

Each Owner shall be responsible for the maintenance of and shall maintain the interiors of his Unit and his Restricted Common Area (including

the exterior of his garage deck, yard area, storage area and/or balcony) including interior walls, windows, glass, ceilings, floors, doors (interior and exterior) and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition and shall keep the same free from rubbish, litter and noxious weeds; maintain, cultivate and keep in good condition and repair shrubs, trees, grass, lawns plantings and other landscaping located or from time to time placed upon his garage deck, yard area and/or balcony; and maintain in good condition and repair and adequately paint or otherwise refinish all improvements located or from time to time placed on his Unit including the garage deck, yard area, storage area and/or balcony.

In the event an Owner shall fail to comply with the provisions of this Section, the Association shall notify such Owner in writing of such specific lack of compliance, which notice may state that from and after a specified date the Board or its authorized agents may enter the Unit for the purpose of remedying such lack of compliance. If such Owner fails to remedy such lack of compliance within five (5) days after receipt of such notice (or within such greater time period as may be specified in such notice), or, in the alternative, fails to deliver written notice to the Board within five (5) days from receipt of such notice requesting a hearing before the Board with regard to the matters of noncompliance set forth in such notice, the Association or its authorized agents shall have the right to enter into such Owner's Unit for the purpose of remedying the matters set forth in the notice, and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall schedule a hearing and shall provide the Owner with at least seven (7) days written notice as to the date, time and place thereof. At the hearing the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Association's original notice of noncompliance, and the Board will determine what action, if any, need be taken by the Owner and the time within which it must be accomplished.

The decision of a majority of the Directors present at the hearing will be binding upon the Association and the Owner. If the Owner fails to so comply within the designated time period, the Association or its authorized agents shall then have the right to enter into the Owner's Unit to perform the required acts and shall not be liable for trespass in connection therewith. The cost to the Association of remedying such Owner's failure

comply with the provisions of this Section shall be assessed to the Owner as a Remedial Assessment, enforceable in the manner provided in Article V of this Declaration.

Section 5. COMMON AREA:

No Owner shall remove, alter or injure in any way any portion of the Common Area, including but not limited to, the lagoon, any recreational facility and all improvements thereto and personal property located thereon, or any shrubs, trees, grass, plants or other landscaping placed upon the Common Area by Declarant or by the Association. The Owner of any Condominium who violates this Section shall reimburse the Association for all expenses incurred by it in remedying the damage caused by said Owner's violation of this Section. Such expenses shall be assessed to the Owner as a Remedial Assessment, enforceable in the manner provided in Article V hereof.

Section 6. SIGNS:

No sign, notice, nameplate, card, advertisement, or billboard of any kind (including but not limited to commercial or political signs) shall be displayed to the public view on any Condominium, except for:

- (a) directional signs established by the Declarant or the Association;
- (b) such signs as may be required for legal proceedings;
- (c) residential identification signs of a combined total face area of seventy-two (72) square inches or less for each Condominium;
- (d) during the time of construction of any residence or other improvement, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area of not larger than three (3) square feet;
- (e) signs advertising Condominiums for sale or for rent which signs shall be of customary and reasonable dimensions and of a professional type and dignified appearance, and which signs shall be placed only in such location(s) in the Common Area as designated by the Association which location(s) shall be open to public view. If at the time of any such desired use, the Association is providing "for sale" or "for rent" signs for the use of Owners, the sign provided by the Association shall be used; and

(f) signs, billboards and other advertising devices or structures used by Declarant in connection with the development, subdivision, advertising, sale and resale of the Project and Condominiums therein.

Section 7. OBNOXIOUS AND OFFENSIVE ACTIVITIES:

No obnoxious or offensive activity shall be carried on, in or upon any Condominium or any part of the Project, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Unit, or which shall in any way increase the premium rate of insurance.

Section 8. ANIMALS:

No animals, livestock, birds, fish or poultry of any kind shall be raised, bred or kept in or upon any Condominium, or any portion of the Project, except that dogs, cats or such other household pets as may be approved by the Association may be kept in the Units, provided they are not kept, bred or maintained for any commercial purposes, or in unreasonable numbers. Notwithstanding the foregoing, no animals or fowl may be kept which result in any annoyance or which are obnoxious to residents in the vicinity, and in any event, each Owner shall be liable to each and all remaining Owners, their families, guests, and invitees, and to the Association for any and all damage to person or property caused by any pets brought upon or kept upon the Units, Restricted Common Area which includes the garage decks, yard areas, storage areas and balconies, or the Common Area by such Owner, members of his family, guests or invitees. Upon the written request of any Owner, the Board shall conclusively determine, in its sole discretion, whether for the purposes of this Section, a particular animal or bird is generally recognized as a household pet or yard pet, or constitutes a nuisance, or whether the number of animals or birds on any such property is unreasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

Section 9. VEHICLES:

No motor vehicle shall be constructed, remodeled, reconstructed or repaired, in any Condominium or on any driveway, street or alley in such a manner as will be visible from the Units, nor shall any mobile home, trailer of any kind, truck, camper (other than vans), or boat be kept, maintained,

- placed, constructed, remodeled, reconstructed or repaired on any portion of the Project.

Section 10. DEBRIS AND OUTSIDE STORAGE:

(a) No rubbish, trash or garbage or containers therefor shall be allowed to accumulate on the Project outside the Units except in locations specifically designated by the Board for such use, without the written permission of the Board.

(b) Trash cans and other rubbish containers shall not be allowed to be visible from any portion of any of the street except during the days on which rubbish is collected.

(c) No exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes on the garage decks, yard areas, balconies or other outside areas.

Section 11. ALTERATIONS AND IMPROVEMENTS:

No building, fence or other structure of any type or any structural alteration to any Unit, or alteration of any sort to or in the Common Area, including the landscaping shall be made, constructed or maintained upon the Project except by Declarant until the plans and specifications therefor showing the appearance, height, materials and color therefor, a plot plan showing the location thereof and appropriate grading plans, if requested, and a soils report for the site upon which the structure is to be or is located, if requested, shall have been approved by the Board or the Environmental Control Committee in the manner set forth in Article VIII hereof; no change in the exterior appearance, type, color, grade, height or location of any such structure placed within the Project shall be made except by Declarant without the written approval of the Board or the Environmental Control Committee acting pursuant to Article VIII hereof.

Section 12. TAXES AND UTILITY CHARGES:

Each Owner of a Condominium shall pay all real and personal property taxes or charges assessed against his Condominium and the utility charges for said Condominium.

Section 13. RESTRICTIVE AGREEMENTS:

No Owner shall execute or file for record any instrument which imposes a restriction upon the sale, leasing or occupancy of his Condominium on the basis of race, color or creed. The provisions of this Declaration shall be liberally construed. Failure to enforce any provision herein shall

not constitute a waiver of the right to enforce said provision or any other provision hereof.

Section 14. PESTS:

No Owner shall permit any thing or condition to exist upon any portion of the Project which shall induce, breed or harbor infectious plant diseases or noxious insects or vermin.

Section 15. CABLE TELEVISION; MISCELLANEOUS EQUIPMENT:

(a) No cable television connection or facilities shall be installed or maintained on the Project except by Declarant, its agents and assigns until such time as Declarant shall own no Condominiums whatsoever.

(b) No Owner, resident, or lessee shall install wiring for electrical or telephone installations, television or dish antennae, machines or air conditioning units, etc., on the exterior of the buildings of the Project or that protrude through the walls or roof of the buildings except as permitted by the Board or the Environmental Control Committee pursuant to Article VIII hereof.

Section 16. PARKING AND STREET OBSTRUCTIONS:

Parking of vehicles of any type whatsoever on any portion of the parking areas, alleys, streets and driveways shall be permitted only as set forth in the Association Rules. No Owner shall do anything which will in any manner prevent the parking areas, alleys and streets from at all times being free and clear of all obstructions and in a safe condition for vehicular use.

Section 17. COMPLIANCE WITH LAWS:

Each Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of Federal, State or municipal governments or authorities applicable to use and occupancy of and construction and maintenance of any improvements in the Project.

Section 18. EXTRACTION OF MINERALS:

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted within the Project, nor shall oil wells, tanks, tunnels or mineral excavations be permitted within the Project or within five hundred (500) feet below the surface of the Property and no derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any portion

- thereof, except as shall be approved in writing by the Board or the Environmental Control Committee pursuant to Article VIII hereof.

Section 19. DRAINAGE:

Neither the Association nor any Owner may interfere with or alter the grading established by Declarant or in any manner impede the drainage pattern within the Common Area which exists as of the date of the sale of the first Condominium, or in any way interfere with or impede the drainage from any garage deck, yard area or balcony area into the drainage system established by Declarant, or allow drainage from his yard area or garage deck to flow and/or pool alongside a Unit.

Section 20. LAGOON:

No boats and no watercraft shall be permitted in the lagoon portion of the Common Area. No dogs shall be permitted in the lagoon area. No garbage or waste shall be disposed of in the lagoon area. The Board may adopt additional rules and regulations for the use of the lagoon, and shall enforce the same. The lagoon or lagoon area shall mean and refer to all areas of the Project occupied by bodies of water (other than swimming pool) including fresh water or salt water.

Section 20. EXCEPTIONS:

The restrictions set forth in this Article VII shall not and do not apply to any of the following:

- (a) Any part of the Project which is owned by any public body;
- (b) Any act done or proposed to be done upon the Project, or any condition created thereon, by any governmental agency or entity, or the agents or employees of any governmental entity acting in the scope of their authority as such agents or employees;
- (c) Any act done or proposed to be done upon the Project, or any condition created thereon, by any utility company (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television and/or sewer service to all or parts of the Project), or the agents or employees of any such company, which act could be done by such company were this Declaration not made;
- (d) Any act done or proposed to be done within the Project, or any condition created thereon, by Declarant, or its successors, assigns, agents, employees or contractors, in the course of planning for, preparing

the Property for and/or construction upon the Project of driveways, streets, the lagoon, utilities, recreational and residential buildings and all other original improvements;

(e) Any act done or proposed to be done within the Project, or any condition created thereon, which act or condition has been approved in advance by the Board or the Environmental Control Committee acting within its authority as set forth in Article VIII of this Declaration;

(f) Any act done or proposed to be done within the Project, or any condition created therein, by any person pursuant to court order, or the order of any public officer or public agency; provided, however, that the orders contemplated in this subparagraph are only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those orders which result from the application of private parties or are merely permissive.

ARTICLE VIII

ENVIRONMENTAL CONTROL COMMITTEE

Section 1. ESTABLISHMENT OF COMMITTEE MEMBERSHIP:

(a) Establishment of Committee:

The rights, powers and duties of the Board of Directors under Sections 11, 15, 18 and 20(e) of Article VII hereof may be delegated by the Board, by resolution duly adopted according to the By-Laws, to a committee consisting of three (3) individuals appointed by the Board, none of whom shall be required to be an architect, a Member, an officer or a Director of the Association, or to meet any other particular qualifications. The terms "Environmental Control Committee" and "Committee," as used herein, shall refer to the Board, if no such separate committee has been appointed, or to such committee if the same is in existence.

(b) Initial Members:

The following persons are hereby designated as the initial members of the Environmental Control Committee established hereby:

Office No. 1 - Martin Fenton, Jr.

Office No. 2 - Raymond F. Logan

Office No. 3 - Gary A. Kreitzer

All of the rights, powers and duties of the Environmental Control Committee as set forth in Section 2 of this Article VIII are hereby delegated to the

Environmental Control Committee established hereby. Such delegation may not be revoked except by Declarant until the first to occur of (i) expiration of five (5) years after issuance of the first Final Subdivision Public Report for any portion of the Project or (ii) sale by Declarant of ninety percent (90%) of the Condominiums in the Project.

(c) Term of Office:

The terms of office of the first two members listed in subparagraph (b) above, shall continue for a period of five (5) years after the issuance of the first Final Subdivision Report for the Project or until Declarant has sold ninety percent (90%) of the Condominiums in the Project, whichever occurs first, and the term of the third member shall continue for one year after the sale of the first Condominium in the Project or as provided in subparagraph (d), below. Thereafter the term of each Environmental Control Committee member shall be for a period of three (3) years or until the appointment of his successor. Any new member appointed to replace a member who has died, resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired, may be reappointed.

(d) Appointment, Removal and Resignation:

The right to appoint and remove all members of the Environmental Control Committee at any time, shall be and is hereby vested solely in the Board; provided, however, that no initial member of the Environmental Control Committee may be removed, nor any successor appointed for an initial member who dies or resigns, except by Declarant prior to the expiration of his term of office pursuant to subparagraph (c) above, and provided further that after expiration of the terms of the initial members, no member of the Environmental Control Committee may be removed prior to the expiration of his term of office except by the vote or written consent of four-fifths (4/5ths) of the members of the Board. Any member of the Environmental Control Committee may at any time resign from the Committee by giving written notice thereof to the Declarant, if, pursuant to this subparagraph (d), Declarant has the right to appoint a successor to such member, or, if Declarant does not have the right, to the Board. All members of the Committee who are appointed by the Board shall be Members of the Association. Members of the Committee who are appointed by Declarant are not required to be Members of the Association.

(e) Vacancies:

Except as otherwise provided, in subsections (c) and (d), of this Section 1, vacancies on the Environmental Control Committee, however caused, shall be filled by vote of a majority of the Directors. A vacancy shall be deemed to exist in case of the death, resignation or removal of any member. Failure of the Board to fill any vacancy in the Committee shall not prevent: (i) the running of the ninety (90) day automatic approval period specified in Section 2(e) of this Article VIII, of (ii) action by the Committee on any matter to the extent that a majority thereof each join in and consent thereto.

(f) Notice of Membership on Committee:

The Declarant and the Board may, upon appointing members of the Committee, record written notice of such appointment in the Office of the County Recorder of Los Angeles County. All parties, including any title insurance company, shall be entitled to rely conclusively upon the membership of the Committee as established and as changed by any such recorded notice.

Section 2. OPERATION OF COMMITTEE:

The Environmental Control Committee shall function as follows:

(a) The Committee may require the submission to it of any or all of the following documents which it determines to be reasonably appropriate to the activity for which consent is requested:

- (1) a written description;
- (2) plans and specifications;
- (3) schematics;
- (4) elevations; and
- (5) a plot plan showing the location of the proposed

structure or improvements.

(b) All submissions to the Environmental Control Committee shall:

- (1) show the address of the party submitting the same;
- (2) be in triplicate;
- (3) be deemed made when actually received by the

Committee; and

- (4) state in writing the specific matters for which approval

is sought.

(c) The Committee, before giving such approval, may require that changes be made to comply with such requirements as the Committee may, in its absolute discretion, impose as to structural features or any proposed building or other structure, the type of building material used, or other features or characteristics thereof not expressly covered by any provisions of this instrument, including the location of any proposed building or other structure with respect to the topography and finished ground elevation. The Committee may also require that the exterior finish and color, and the architectural style or character of any proposed building or other structure shall be such as in the discretion of the Committee shall be deemed suitable in view of the general architectural style and character of existing improvements within the Common Area.

The Committee, before giving its approval, may impose conditions or require changes to be made which in its discretion are required to insure that the proposed improvement will not detract from the appearance of the Common Area, jeopardize the structural integrity of the building in which the Unit is located or otherwise create any condition unreasonably disadvantageous to other Owners or detrimental to the Project as a whole.

(d) One of the three (3) sets of submissions to the Committee may be retained by it. In the event the Committee approves or is deemed to approve the activity for which consent is required, the Committee shall endorse its consent on all three (3) copies and two (2) sets shall be mailed by the Committee, postage prepaid, to the address specified by the submitting party unless such party shall elect to accept delivery thereon in person or by agent so authorized in writing.

(e) If the Committee fails to mail its certificate with regard to any material or matter submitted to it hereunder, within ninety (90) days after submission to it, it shall be conclusively presumed that the Committee has approved the specific matters as to which approval was sought in the submission. It shall thereupon be the duty of the members of the Committee, forthwith upon the request of the submitting party, to sign and acknowledge a certificate evidencing such approval.

(f) As a condition precedent to its consideration of or action upon any material or matter submitted to it hereunder, the Committee shall be entitled to receive a sum fixed by it which shall not exceed ten dollars (\$10.00) for each set of plans, specifications, drawings or other material so

submitted. Notwithstanding the provisions of subparagraph (2)(e), until the requisite sum shall have been paid to it as provided herein, any material delivered to the Committee shall not be considered to have been submitted to it for the purposes of this Declaration.

(g) No certificate of the Committee shall be recorded by the Committee or any member thereof, but the same may be recorded by the party submitting the material concerning which the certificate was made.

(h) All action by the Committee authorized in this Declaration shall be within its sole discretion.

(i) The provisions of this Article shall not apply with respect to the initial construction by Declarant of Improvements within the Project.

Section 3. ACCESS TO PROJECT:

Each member of the Committee, or any other agent or employee of the Board, shall at all reasonable hours have the right of access to any part of the Project, and to any structures built or being built thereon, for the purpose of inspection relative to compliance with this Declaration.

Section 4. WAIVER:

The approval or disapproval by the Committee of any plans, specifications, drawings, grading plans, heights, or any other matters submitted for approval or consent shall not be deemed to be a waiver by the Committee of its right to approve, disapprove, object or consent to any of the features or elements embodied therein when the same features or elements are embodied in other plans, specifications, drawings or other matters submitted to the Committee.

Section 5. LIABILITY:

Neither the Committee nor any of its members shall be responsible for any defects in any building or other structure erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications, color scheme, or other material approved by them or any conditions or requirements that they may have imposed with respect thereto, nor shall the Committee or any of its members have any liability for the inability of anyone to obtain a building permit for the construction or alteration of any building or structure pursuant to plans and specifications approved by the Committee.

ARTICLE IX

DESTRUCTION

Section 1. REPAIR, RECONSTRUCTION OR DISPOSITION:

In the event of damage to or destruction of any portion of the Common Area or any furnishings, equipment or other personal property owned by the Association, the Board shall cause the same to be repaired, restored or replaced. The insurance proceeds available to the Association on account of said damage or destruction shall be paid to the Board which shall thereupon contract to repair, reconstruct or restore the damaged or destroyed portions of the Common Area as nearly as may be possible to its condition immediately prior to such damage or destruction. All insurance monies recovered on account of such damage or destruction, less the cost, if any, of such recovery, shall be applied to the payment of the cost of repairing, replacing, and rebuilding, and shall be paid out from time to time by the Board as such work progresses upon the written certification of the architect or engineer if applicable, or the contractor in charge of such work stating that the sum requested is justly due to those persons rendering services or furnishing materials in connection with such work or is justly required to reimburse the Association for expenditures made by it in connection with such work. The Board shall levy a Special Assessment on all the Owners in accordance with the provisions of Article V, Section 4 hereof, to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding.

Notwithstanding anything to the contrary contained herein, if any building or improvement within the Project, or any part hereof, shall be damaged or destroyed in any casualty which is not covered by the extended coverage insurance policy held by the Association, or if at any time after the Project has been in existence at least thirty (30) years, any buildings or improvements erected on the Project are damaged or destroyed by fire or other casualty and provided in either event that such damage renders a material part of the Project unfit for its use prior thereto; or the conditions of California Civil Code Section 1354 exist; or the Project is damaged by fire or other casualty and such damage does not prevent or substantially impair the use of the Project for the purposes existing immediately prior to such occurrence, but the cost of repairing or restoring the same shall exceed by twenty percent (20%) the insurance proceeds available for such damage, the Association shall have the option, to be exercised within ninety (90) days

after such event and upon a vote of seventy-five percent (75%) of all Members and seventy-five percent (75%) of the Members whose Units were damaged or destroyed:

(1) to repair or restore said improvements as hereinafter provided, or

(2) subject to the prior written consent of all First Mortgagees, to partition the Project. In the event of such partition, the insurance proceeds collected and paid for the damage, to the extent available for said purpose, shall be applied to the cost of clean-up and restoration of the Project to a safe condition and the unexpended balance thereof, if any, shall be retained, until the statutory period for filing liens after the completion of said work of cleanup and restoration has expired and no liens have been filed or remain unsatisfied, whereupon the Association shall pay to the Mortgagees entitled thereto, if any, such portion of the unexpended insurance proceeds necessary to satisfy the unpaid balance of any outstanding encumbrances on the damaged or destroyed Condominiums. The then remaining unexpended portion of the insurance proceeds shall be paid to the Owners of such Condominiums based on the ratio of the fair market value of each damaged or destroyed Condominiums, as determined by a real estate appraiser appointed by the Board; provided, however, such appraiser shall be a member of the American Institute of Real Estate Appraisers, or any successor organization.

If the Association Members vote, as aforesaid, to repair or restore said improvements, but the insurance proceeds are insufficient to pay all of the costs of such repair or restoration, the Board shall cause all insurance proceeds available to the Association to be paid to a bank or trust company to be disbursed for reconstruction in the manner provided above. The Board shall thereafter obtain firm bids from two or more responsible contractors to rebuild the Common Area as nearly as possible to its condition immediately prior to such damage or destruction and shall, as soon as possible thereafter, call a special meeting of the Members to consider such bids. At such meeting the Members may, by a vote of not less than sixty-six and two-thirds percent (66 2/3%), elect to reject all such bids, or by vote of not less than fifty percent (50%), elect to reject all such bids involving a total cost exceeding the amount of available insurance proceeds by more than One Hundred Thousand Dollars (\$100,000.00). Failure to thus

reject all of such bids shall authorize the Board to accept the bid it considers most favorable. If a bid is accepted, the Board shall levy a Special Assessment on all the Owners in accordance with the provisions of Article V, Section 4 hereof, to make up any deficiencies between the total insurance proceeds and the contract price for such repair and rebuilding.

If no bid is accepted within six (6) months after the date on which such damage or destruction occurs, the Board shall cause a special meeting of the Members to be held at which time the Owners may, by the affirmative vote of seventy-five percent (75%) of all Owners and seventy-five percent (5%) of the Owners whose Units were damaged or destroyed, elect to accept any previously rejected bid or any new bid obtained by the Board or adopt a plan for repair, reconstruction or restoration of the damaged Common Area in a manner different from the original construction of the Project. If none of the foregoing alternatives is adopted, an action may be brought for partition of the Project and the proceeds of the insurance on the Project shall be disbursed as if the Owners had initially voted not to repair or restore the Project.

Section 2. ACTION FOR PARTITION:

In addition to the procedures set forth in Section 1 hereof, in the event of such destruction, an action may be brought by one or more Owners of said Condominiums for partition of the Project by sale of the entire Project, as if the Owners of all of the Condominiums in such Project were tenants-in-common in the entire Project in the same proportion as the floor space of each Owner's Unit bears to the total floor space of all the Units in the Project, upon compliance with California Civil Code section 1354 as presently existing or as amended from time to time. In the event of such partition, the insurance proceeds available to the Association and all proceeds of sale of the Project shall be disbursed in the manner provided in this Section 2.

Section 3. SALE BY THE ASSOCIATION:

In addition to the right of any Owner to bring a suit for partition as provided in Section 2 hereof, the Association, acting through its Board, is hereby granted an irrevocable power of attorney to sell the entire Project for the benefit of all Owners thereof when partition of the Project may be had under this Article IX. This power of attorney shall:

- (1) be binding on all Owners;
- (2) be exercisable only after prior written approval of not less than a majority of Owners in the Project; and
- (3) be exercisable only after recordation by the duly authorized officers of the Association of a certificate setting forth compliance with the foregoing conditions, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith. Nothing herein shall be deemed to prevent partition of a co-tenancy in any Condominium.

ARTICLE X

CONDEMNATION

Section 1. TAKING OF ENTIRE PROJECT:

A condemnation award affecting all of the structural Common Area of a Project which is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners in the Project, shall be distributed among the affected Owners and their respective mortgagees according to the relative values of the Units affected by the condemnation as determined by independent appraisal, provided, however, such appraisal shall be performed by a member of the American Institute of Real Estate Appraisers, or any successor organization, said member to be appointed by the Board.

Section 2. PARTIAL TAKING:

(a) In the event of a partial taking of the Project, which taking includes real or personal property owned by the Association, the Association shall use all amounts awarded to it on account of such taking, to repair, reconstruct or restore the remaining property owned by the Association as nearly as may be possible to its condition immediately prior to such taking, or if that is not reasonably possible, to acquire and improve other real or personal property to replace the property which was taken; provided, however, that the Association shall not be obligated to replace such real or personal property if seventy-five percent (75%) of all Members of the Association elect to distribute the condemnation award in the manner provided in Section 1 hereof rather than make such replacement. If the Members of the Association do not elect, within sixty (60) days after the taking of the Association property, to distribute the condemnation award, the Board shall proceed with such repair and restoration and the acquisition and improvement of new property and may levy a Special Assessment on the

• Owners' in accordance with Section 4 of Article V hereof to raise any funds needed for such purpose in excess of the condemnation award. If the Members do not approve such Special Assessment the Board shall perform such repair and restoration work and make such acquisitions as are possible with the available funds.

(b) In the event of a partial taking of the Units and the Common Area, those Owners whose Units are completely taken shall be entitled to retain the award made to them, as provided in Section 3 hereof. Such Owners shall, however, quitclaim to the remaining Owners in equal shares, their undivided interest in that portion of the Common Area which was not taken by condemnation. The Association shall, within ninety (90) days after the taking: cause an amended Condominium Plan depicting the new configuration of the Common Area and the Units and the revised number of Units and interests in the Common Area; adjust the interest of the remaining Owners of the Common Area by decreasing the denominator of each Owner's fractional undivided interest by that number of Units which have been completely taken; and prepare an amendment to this Declaration to be executed by all Owners, Mortgagees, and other persons or entities required by law to execute such documents, and record said amendment in the office of the County Recorder of Los Angeles County. The Association shall immediately after the taking commence and shall diligently pursue to completion, repair of the Common Area and all Units not fully taken by such condemnation. The Association shall use for such purpose the entire condemnation award paid to it, if any, and may levy a Special Assessment on all remaining Owners pursuant to Section 4 of Article V hereof to pay the cost of such repair in excess of the condemnation award. All Owners shall be assessed in equal shares the cost of repairing the Common Area. Any dispute as to the reasonableness of allocation of the Special Assessment among the Owners of damaged Units or among all Owners shall be resolved by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association.

Section 3. TAKING OF UNITS:

Nothing contained in this Article X shall be deemed to limit the right of an Owner to pursue all available legal remedies and obtain all compensation to which he may be entitled to by reason of the taking of or damage to his Unit and his undivided interest in the Common Area.

ARTICLE XI
ENFORCEMENT

In the event of any default by any Owner under the provisions of this Declaration, the Articles, By-Laws, or the Association Rules, and upon any failure of any Owner to comply with any requirement or restrictions set forth in this Declaration, the Association and its successors and assigns, and the Board and its agents, or any of them, shall have all the rights and remedies which may be provided for in this Declaration, the By-Laws, the Articles, the Association Rules, or which may be available at law or in equity, and may prosecute any action or other proceeding against such defaulting Owner and/or other persons, for the enforcement of any lien and the appointment of a receiver for the Condominium and ownership interest of such Owner, or for damages or injunction or specific performance, or for judgment of payment of money and collection thereof, or the right to take possession of the Condominium and to sell the same as hereinabove provided, or for any combination of remedies, or for any other relief. The Association and the Board, and the agents of each, shall have the authority to correct such default and to do whatever may be necessary for such purpose. All expenses of the Association in connection with such actions or proceedings, including court costs and attorneys' fees, and all damages, together with interest thereon at the maximum legal rate until paid, shall be charged to such defaulting or non-complying Owner, and shall be a lien on such Owner's Condominium, his interest in the Association and upon all of such Owner's additions and improvements to the Condominium, which lien shall be enforceable as a Remedial Assessment in the manner set forth in Article V hereof. Any and all such remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association, or by the Board.

The Association, however, shall not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Condominium on account of the failure by the Owner to comply with provisions of the Declaration, By-Laws or Association Rules, except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments duly levied by the Association.

Should any Member institute suit against the Association, and should the Association be successful or sustained in its position in such

• suit, then such member shall be required to reimburse the Association for its legal expenses incurred, including but not limited to attorneys' fees, fees of experts, court costs and other expenses reasonably incurred by the Association, and the amount to which the Association is entitled shall be a lien against his Condominium as provided in and enforceable pursuant to the provisions of Article V hereof.

ARTICLE XII

GENERAL PROVISIONS

Section 1. AMENDMENTS:

So long as there are two classes of membership, any amendment to this Declaration shall require the vote or written assent of both the Declarant and the Members holding fifty-one percent (51%) of the votes held by Members of the Association other than Declarant. At such time as two classes of membership no longer exist, any amendment to this Declaration shall require the vote or written assent of Members holding fifty-one percent (51%) of the total votes in the Association and at least fifty-one percent (51%) of the votes held by Members other than Declarant; provided, however, (a) that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes required for action to be taken under such clause or provision; and (b) no amendment which would defeat the obligations of the Association to maintain the Common Area in a first-class condition and good state of repair, or which would defeat the assessment procedures which assure the collection of funds for such maintenance shall be made unless such instrument is signed by Declarant and by seventy-five percent (75%) of the Owners of the Project other than Declarant, and by all beneficiaries of first trust deeds of record. Any amendment must be recorded prior to becoming effective. Declarant reserves the right, for a period of nine (9) months after recordation of this Declaration, and without the vote or approval of the Members of the Association, to amend this Declaration in any manner required to conform with the requirements of the California Department of Real Estate or any other governmental body or agency having jurisdiction, so as to meet the requirements of such body or agency for their approval of this Declaration.

Notwithstanding the provisions of the foregoing paragraph, if, by law, any different consent or agreement is required for any action, then any

instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be effective only if taken and made as required by law.

No provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of any law.

No amendment or termination of this Declaration which does not apply to all of the Project then covered by this Declaration shall be made or recorded as to any portion of the Project without the written consent of all the record Owners of such affected portion.

Section 2. NOTICES:

Notices provided for in this Declaration shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

DEL REY COLONY HOMEOWNERS ASSOCIATION
225 Broadway, 7th Floor
San Diego, California 92101

Del Rey Colony Environmental Control Committee
225 Broadway, 7th Floor
San Diego, California 92101

Declarant:
Christiana Community Builders
225 Broadway, 7th Floor
San Diego, California 92101

Owner:
At the address of the Condominium or
Condominiums owned by them.

or such other address as may be designated herein. The Declarant, the Association and the Environmental Control Committee may designate a different address or addresses for notice to it by giving written notice of such change of address to the Association. Notice addressed as above provided shall be deemed delivered when mailed by United States Mail, return receipt requested, or when delivered in person with written acknowledgement of the receipt thereof.

Upon written request, any Mortgagee shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose property is subject to such recorded mortgage or deed of trust.

Section 3. SEVERABILITY:

If any provision of this Declaration, the Articles, the By-Laws, or any section, sentence, clause, phrase or word, or the application thereof in

any circumstance, is held invalid, the validity of the remainder of the Declaration, the Articles and By-Laws, and of the application of any such provision, section, sentence, clause, phrase, or word in any other circumstances shall not be affected thereby.

Section 4. SUCCESSORS OF DECLARANT:

Each and every right and obligation of Declarant under this Declaration shall inure to the benefit of and be binding upon the successors of Declarant as Owner of the Project who are designated as a Successor Declarant by an instrument duly recorded in the office of the County Recorder of Los Angeles County.

Section 5. INAPPLICABILITY TO PROPERTY OF PUBLIC ENTITY:

The provisions hereof shall be inapplicable to any property now owned or hereafter acquired by the State of California or a political subdivision thereof.

Section 6. VIOLATION AND NUISANCE:

Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner or Owners of Condominiums.

Section 7. VIOLATION OF LAW:

Any violation of any state, municipal or local law, ordinance or regulations, pertaining to the ownership, occupancy or use of any of the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 8. NOTIFICATION OF SALE OF CONDOMINIUM:

Concurrently with the consummation of the sale of any Condominium under circumstances whereby the transferee becomes the Owner thereof or within five (5) business days thereafter, the transferor shall notify the Association in writing of such sale. (Such notification shall set forth:

(1) the name of the transferee and his transferor;
(2) the street address of the Condominium purchased by the transferee;

(3) the transferee's mailing address; and

(4) the date of sale.

Prior to receipt of any such notification, any and all communications required or permitted to be given by the Association, the Board or the Environmental Control Committee shall be deemed to be duly given and made to the transferee if duly and timely made and given to said transferee's transferor.

Section 9. BREACH:

No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section 10. SPECIAL MORTGAGEE REQUIREMENTS:

(a) A first Mortgagee, at its request, is entitled to written notification from the Association of any default by the Owner of the Condominium which is subject to a mortgage or deed of trust in favor of said Mortgagee of such Owner's obligations under the condominium documents which is not cured within sixty (60) days.

(b) Any first Mortgagee who obtains title to a Condominium pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal."

(c) Any first Mortgagee who obtains title to a Condominium pursuant to the remedies provided in the mortgage or deed of trust or foreclosure of the mortgage or deed of trust, shall not be liable for such Condominium's unpaid assessments which accrue prior to the acquisition of title to such Condominium by such first Mortgagee.

(d) First Mortgagees shall have the right to examine the books and records of the Association.

(e) An adequate reserve fund for replacement of the Common Area must be established and must be funded by regular monthly payments rather than by Special Assessments.

(f) All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Condominiums and not to the Project as a whole.

(g) Notwithstanding anything to the contrary which may be set forth in this Declaration, the Articles or the By-Laws, unless at least seventy-five percent (75%) of the first Mortgagees (based upon one (1) vote for each first mortgage owned) have given their prior written approval, the Association shall not:

(1) by act or omission, seek to abandon or terminate the Condominium regime;

(2) change the pro-rata interest or obligations of any Condominium for:

(i) purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards and for

(ii) determining the pro-rata share of ownership of each Unit in the Common Area.

(3) partition or subdivide any Condominium;

(4) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities, flood control, inundation, or for other public purposes consistent with the intended use of the Common Area by the Owners shall not be deemed a transfer within the meaning of this clause;

(5) use hazard insurance proceeds for losses to any Condominium property (whether to Units or to the Common Area) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Area of the Project;

(6) amend any part of this Section 10.

(h) First Mortgagees who have filed a written request for such notice with the Board shall be given (1) thirty (30) days' written notice prior to the effective date of any proposed material amendment to this Declaration, the Articles or the By-Laws and prior to the effective date of any termination of any agreement for professional management of the Project following a decision of the Owners to assume self-management of the Project; and (2) immediate notice of any damage to the Project whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000.00), and as soon as the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Project.

(i) In addition to the other provisions of this Declaration, the Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), or the Government National Mortgage Association ("GNMA") or any similar entity, so as to allow for the purchase, insurance or guaranty, as the case may be, by such entities of first mortgages. Each Owner hereby agrees that it will benefit the Association and the Members, as a class of potential mortgage borrowers and potential sellers of their Owner's Condominium, if such agencies approve the Project as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. First Mortgagees are hereby authorized to furnish information to the Board concerning the status of any first mortgage.

Section 11. GENDER:

As used in this Declaration, masculine, feminine or neuter and the singular or plural number shall each be deemed to include the others where and when the context so dictates.

Section 12. TERM:

The covenants and restrictions of this Declaration shall run with and bind the property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners of the Condominiums, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first hereinabove written.

CHRISTIANA COMMUNITY BUILDERS,
a California corporation

By: Raymond F. Logan
PRESIDENT

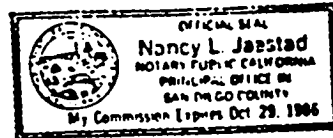
By: Gary A. Kreitzer
ASST. SECRETARY

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On 5th Day of September, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared RAYMOND F. LOGAN and GARY A. KREITZER, known to me to be the President and Assistant Secretary, respectively, of the corporation that executed the within Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for DEL REY COLONY, Los Angeles County, California, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within Instrument pursuant to its By-Laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Nancy L. Jaestad
Notary Public in and for Said
County and State



SUBORDINATION

The undersigned, as holders of the beneficial interest in and under that certain Deed of Trust dated June 10, 1983, and recorded on June 23, 1983, in the Office of the Los Angeles County Recorder as Instrument No. 83-709553, which Deed of Trust is by and between Christiana Community Builders, a California corporation, as Trustor, and Lawyers Title Insurance Corporation, a corporation, as Trustee, and Margaret Joann Sanchez Moak, a married woman, as her sole and separate property, and Robert A. Sanchez, a married man, as Beneficiaries, hereby expressly subordinate said Deed of Trust and its beneficial interest thereunder to the foregoing Declaration of Covenants, Conditions and Restrictions and Reservations of Easements for Del Rey Colony.

Dated: August 23, 1984.

MARGARET JOAN SANCHEZ MOAK

ROBERT A. SANCHEZ

Margaret Joann Sanchez Moak

Robert A. Sanchez
by *Margaret Joann Sanchez*
HIS ATTORNEY-IN-FACT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On August 23, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared Margaret Joann Sanchez Moak, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same.

WITNESS my hand and official seal.

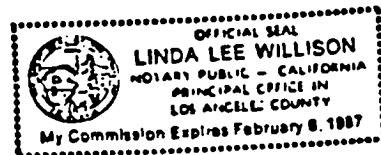


Linda Lee Willison
Notary Public

State of California
County of Los Angeles

On this 23 day of August, in the year 1984, before me Linda Lee Willison, personally appeared Margaret Joann Sanchez Moak, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument as the attorney in fact of Robert A Sanchez, and acknowledged to me that she subscribed the name of Robert A Sanchez thereto as principal, and her own name as attorney in fact.

Linda Lee Willison
Linda Lee Willison



SUBORDINATION

The undersigned, as holder of the beneficial interest in an under that certain Deed of Trust dated May 4, 1984, and recorded on May 11, 1984, in the Office of the Los Angeles County Recorder as Instrument No. 84-567514, which Deed of Trust is by and between Christiana Community Builders, California Corporation, as Trustor, California General Mortgage Service Inc., a California Corporation, as Trustee, and Great American Federal Savings Bank, a U.S. Corporation, as Beneficiary, hereby expressly subordinates said Deed of Trust and its beneficial interest thereunder to the foregoing Declaration of Covenants, Conditions and Restrictions and Reservations of Easements for Del Rey Colony.

Dated: June 27, 1984, 19 .

GREAT AMERICAN FEDERAL SAVINGS BANK

By: Ronald J. Wade
Its: Ronald J. Wade, Sr. Vice President

By: S. Kenneth Beeler
Its: S. Kenneth Beeler, Asst. Vice President

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On June 27, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared Ronald J. Wade to be the Sr. Vice President and S. Kenneth Beeler, known to me respectively, of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its By-Laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Dianne A. Lowe
Notary Public in and for Said
County and State
Dianne A. Lowe



